



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Carrie Walker, Chair; Jeff Johnson, Vice-chair; Paul
Frederickson, Stephen McLin and Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison*

Wednesday, February 20, 2019

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

Complete Board of Public Utilities agenda packets, past agendas, videos, legislation and minutes can be found online at losalamos.legistar.com. Learn more about the Board of Public Utilities at rebrand.ly/LACBPU.

PUBLIC COMMENTS:

Please submit written comments to the Board at bpu@lacnm.us. Oral public comment is accepted during the two periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Oral comments should be limited to four minutes per person. Requests to make comments exceeding four minutes should be submitted to the Board in writing prior to the meeting. Individuals representing or making a combined statement for a large group may be allowed additional time at the discretion of the Board. Those making comments are encouraged to submit them in writing either during or after the meeting to be included in the minutes as attachments. Otherwise, oral public comments will be summarized in the minutes to give a brief succinct account of the overall substance of the person's comments.

1. CALL TO ORDER

2. PUBLIC COMMENT

This section of the agenda is reserved for comments from the public on Consent Agenda items or items that are not otherwise included in this agenda.

3. APPROVAL OF AGENDA

4. BOARD BUSINESS

4.A. Chair's Report

4.B. Board Member Reports

4.C. Utilities Manager's Report

4.D. County Manager's Report**4.E. Council Liaison's Report****4.F. Environmental Sustainability Board Liaison's Report****4.G. General Board Business****4.G.1 [11633-19](#)** Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2019

Presenters: Board - Commission or Committee Member Carrie Walker, Chair of the Board of Public Utilities

PG. 1

4.H. Approval of Board Expenses**4.I. Preview of Upcoming Agenda Items****4.I.1 [11697-19](#)** Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

PG. 2-3

5. PUBLIC HEARING(S)**5.A [CO0559-19](#)** Incorporated County of Los alamos Code Ordinance No. 02-294; An Ordinance Amending Chapter 40, Article III, Sections 40-171, 40-173 and 40-175 of the Code of the Incorporated County of Los Alamos Pertaining to Potable and Non-Potable Water Rates and Bulk Delivery Rates

Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

PG. 4-19

5.B [11692-19](#) Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Addition of Rule GR-16: Advanced Metering Infrastructure

Presenters: Tim Glasco, Utilities Manager

PG. 20-23

6. CONSENT AGENDA

The following items are presented for Board approval under a single motion unless any item is withdrawn by a member for further Board consideration in the "Business" section of the agenda.

CONSENT MOTION -

I move that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record.

OR

I move that the Board of Public Utilities approve the items on the Consent Agenda as amended and that the motions contained in the staff reports, be included in the minutes for the record.

- 6.A** [11695-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

PG. 24-40

- 6.B** [11635-19](#) Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2018.

Presenters: Bob Westervelt

PG. 41-46

- 6.C** [11556-19](#) Approval of Amendment No. 2 to Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, for the Purpose of Los Alamos Canyon Road Stabilization Project.

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 47-52

7. BUSINESS

- 7.A** [11419-18](#) Department of Public Utilities FY2020 Budget Presentation

Presenters: Bob Westervelt, Deputy Utilities Manager -
Finance/Admin

PG. 53-90

- 7.B [11636-19](#) Approval of Contract No. 17-SLC-0896 Between Los Alamos County and United States Department of Energy Western Area Power Administration Salt Lake City Area for Integrated Projects for Firm Electric Services

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

PG. 91-194

8. **STATUS REPORTS**

- 8.A [11696-19](#) Status Reports

Presenters: Board of Public Utilities

PG. 195-212

9. **PUBLIC COMMENT**

This section of the agenda is reserved for comments from the public on any items.

10. **ADJOURNMENT**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the County Human Resources Division at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the personnel in the Department of Public Utilities (505) 662-8132 if a summary or other type of accessible format is needed.



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	4.G.1
Index (Council Goals):	BCC - N/A
Presenters:	Board - Commission or Committee Member Carrie Walker, Chair of the Board of Public Utilities
Legislative File:	11633-19

Title

Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2019

Recommended Action

None

Staff Recommendation

Staff recommends that Board members volunteer to represent the Board of Public Utilities at each luncheon.

Body

Regular County Boards & Commissions luncheons are scheduled to give these groups an opportunity to work with one another and with Council representatives. Only one representative from each board or commission is asked to attend. Lunch and drinks are provided and each representative is asked to give a brief written update for their group. **These usually occur every other month, 11:30AM-1:00PM, in Council Chambers. The dates scheduled for 2019 are:**

Thursday, January 17

Thursday, March 14

Thursday, May 16

Thursday, September 19

Thursday, November 14

Board members should volunteer to represent the Board of Public Utilities at each luncheon.

Alternatives

The Board could choose not to assign members to attend the luncheons at this time.

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.I.1
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 11697-19

Title

Tickler File for the Next 3 Months

Attachments

A - Tickler File for the Next 3 Months



LOS ALAMOS

County of Los Alamos

Tickler

Los Alamos, NM 87544
www.losalamosnm.us

**Criteria: Agenda Begin Date: 3/1/2019, Agenda End Date: 5/31/2019, Matter Bodies:
Board of Public Utiliti**

File Number	Title
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Agenda Date: 03/20/2019

11698-19	Report Quarterly Conservation Program Update Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 10 Min. Sponsors: James Alarid, Deputy Utilities Manager - Engineering
11472-18	Budget Item Approval of Department of Public Utilities FY2020 Budget Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 30 Min. Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
11474-18	Briefing/Report (Dept,BCC) - Action Requested Power Purchase Agreement for Solar Power Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 20 min. Sponsors: Steve Cummins, Deputy Utilities Manager - Power Supply

Agenda Date: 04/17/2019

11554-19	Briefing/Report (Dept, BCC) - No action requested Briefing from County Manager on the County Strategic Objectives Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 20 Min. Sponsors: Harry Burgess, County Manager
11555-19	Briefing/Report (Dept, BCC) - No action requested Quarterly Update on Utility System - Wastewater System Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 30 Min. Sponsors: Jack Richardson, Deputy Utilities Manager - GWS Services



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 5.A
Index (Council Goals): BCC - N/A
Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File: CO0559-19

Title

Incorporated County of Los alamos Code Ordinance No. 02-294; An Ordinance Amending Chapter 40, Article III, Sections 40-171, 40-173 and 40-175 of the Code of the Incorporated County of Los Alamos Pertaining to Potable and Non-Potable Water Rates and Bulk Delivery Rates

Recommended Action

I move that the Board of Public Utilities approve Incorporated County of Los alamos Code Ordinance No. 02-294; An Ordinance Amending Chapter 40, Article III, Sections 40-171, 40-173 and 40-175 of the Code of the Incorporated County of Los Alamos Pertaining to Potable and Non-Potable Water Rates and Bulk Delivery Rates, and forward to Council for adoption.

Staff Recommendation

Staff recommends approval of the motion as presented.

Body

This proposed water rate adjustment is in accordance with the long-range financial sustainability plan for the water utility that has been under discussion for the past two years and was presented in detail and discussed by the Board at its regular meeting in January 2019. The following staff report is a representation of the details presented at that preliminary discussion. As requested, the attachments have been updated to include affordability assessments for Los Alamos average household income, and New Mexico average household income as well.

The ten-year forecast for the water utility presented with the FY2019/20 budget includes a series of incremental rate increases to generate revenues needed for current operations and to build cash reserves necessary for future infrastructure needs. Over the course of several meetings of the Board of Public Utilities in the fall of 2016 several alternative scenarios were considered. After discussion, "scenario 40" was selected as the most reasonable balance between increased rates and necessary system expenditures, and was the foundation upon which the ten-year budgetary projection was based. A 6.25% increase in both retail and wholesale sales is proposed, plus an increase from \$2.50 per 1000 gallons to \$2.66 per 1000 gallons for non-potable water sales. The increase for water distribution was included in the FY2019 budget. Although included in "Scenario 40", the increases proposed for water production and

non-potable were not initially included in the 2019 budget. An 8% increase previously proposed for water production was never implemented, however, so it is proposed here to include Production and Non-Potable sub funds in the increase. The increases are proposed for implementation effective with our customer's first billing period beginning after April 1st, 2019. The ten-year projections for Water Distribution and Water Production are provided as attachments B1 and B2, respectively.

The proposed ordinance is provided as Attachment A.

This and future proposed rate actions should restore cash flow to an acceptable level. It will take some time to reach our target levels in the Water Utility overall, but this plan will provide adequate funding for necessary repairs and replacements and continuing operations and provide for movement toward our long-term cash reserve goals.

While we have seen some significant rate increases in recent years, and additional more modest increases are projected in the long-range plan, Los Alamos remains affordable and competitive. Attachment C1 shows a comparison of Los Alamos' projected annual residential water bill with those of nearby communities, using 6,000 gallons as a representative consumption quantity. Attachment C2 shows a comparison of monthly bills with the same communities, but at various consumption quantities. Both show that after the proposed increase Los Alamos remains competitive with its neighboring communities.

Attachment D1 shows the longer-term rate projections included in the first ten years of "scenario 40" and includes the dollar amount of the projected annual increase per household. Total utilities costs is another important measure, and is displayed for the same time frame in attachment D2.

Alternatives

Several alternative financial scenarios were presented and discussed by the Board in 2016. In addition, Jack Richardson, Deputy Manager of Water Production and Distribution, has updated some of the information previously presented and will be presenting updated alternative financial scenarios at a future meeting. Any of those paths forward could be considered as an alternative to the proposal presented here. As noted above, in all the scenarios discussed a series of rate increases are going to be needed to fund necessary operations and replacement of facilities through rates. Other scenarios could be considered with more significant rate increases being implemented to fund more rapid system upgrades. The Board could also work with Council to identify potential other funding alternatives. If no action is taken, we would have to continue to curtail maintenance and replacements and system reliability would eventually suffer.

Fiscal and Staff Impact/Planned Item

The budgeted 6.25% increase is expected to generate \$254,829 additional revenue in DW, \$79,233 additional revenue for wholesale sales to external parties, and \$14,464 additional Non-Potable revenue annually.

Attachments

A - Code Ordinance 02-294: Water Rates

B - FY2019 Budget ten-year budget projections

B1 - Water Distribution
B2 - Water Production and Non-Potable
C - FY2019 Comparison to similar neighboring communities
C1 - Annual, using 6,000 gallons average monthly consumption
C2 - Monthly at various consumption quantities
D - Projected impact on Residential customers
D1 - Annual impact on average residential customer for water only
D2 - Projected average residential total utilities cost projections
E - Notice of Public Hearing

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-294

AN ORDINANCE AMENDING CHAPTER 40, ARTICLE III, SECTIONS 40-171, 40-173 AND 40-175 OF THE CODE OF THE INCORPORATED COUNTY OF LOS ALAMOS PERTAINING TO POTABLE and NON-POTABLE WATER RATES AND BULK DELIVERY RATES

BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS as follows:

Section 1. Section 40-171 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-171. - Potable water rate schedule 8-A.

(a) *Applicability.* Potable water rate schedule 8-A is applicable to all classes of retail customers whether commercial, residential or otherwise. The rate shall consist of a service charge plus a water consumption charge.

(b) *Service charge.*

Water Meter Size	Service Charge Per Meter Per Month
1¼ inch and under	\$ 9.42 <u>10.01</u>
1½ inch	29.84 <u>31.71</u>
2-inch	44.55 <u>47.33</u>
2½ inch, 3-inch	87.94 <u>93.40</u>
4-inch	149.69 <u>159.05</u>
6-inch	316.01 <u>335.76</u>
8-inch	522.13 <u>554.76</u>

(c) *Water consumption charge.* The water consumption charge shall be charged to each customer billed under rate schedule 8-A according to the following schedule:

Consumption Oct—Apr (Non-Peak Season) Commodity Rate Per 1,000 Gallons				Consumption May—Sept (Peak Season) Commodity Rate Per 1,000 Gallons			
Monthly usage	<9,000 gal	9— 15,000 gal	>15,000 gal	Monthly usage	<9,000 gal	9— 15,000 gal	>15,000 gal
Residential	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>	Residential	<u>4.985.29</u>	<u>5.295.62</u>	<u>6.326.72</u>
Multi-family	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>	Multi-family	<u>4.985.29</u>	<u>5.235.56</u>	<u>5.355.68</u>
Commercial	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>	Commercial	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>
County/Schools	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>	County/Schools	<u>4.985.29</u>	<u>4.985.29</u>	<u>4.985.29</u>

Note: Multi-family includes dwelling units and apartments as defined in section 40-201.

Section 2. Section 40-173 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-173. ~~Nonpotable~~ Non-potable water rate charge.

The water consumption rate for ~~nonpotable~~ non-potable water, including effluent reuse water, shall be ~~\$2.502.66~~ per 1,000 gallons.

Section 3. Section 40-175 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-175. - Bulk delivery rate schedule 8-D.

(a) Applicability. Schedule 8-D is applicable to all bulk water sold and delivered to bulk points of delivery. The rate shall consist of a service charge plus a water consumption charge.

(b) The bulk delivery rate for water sold and delivered to bulk points of delivery shall be ~~\$3.423.63~~ per 1,000 gallons.

(c) The customer service charge for water sold and delivered to bulk points of delivery shall be ~~\$643.90~~ 684.14 per month per customer.

Section 4. Effective Date. This ordinance shall become effective upon adoption with the amended water rates being applied for all billings on or after April 2, 2019.

Section 5. Severability. Should any section, paragraph, clause or provision of this ordinance, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 6. Repealer. All ordinance or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

ADOPTED this 2nd day of April, 2019.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

**Sara Scott
Council Chair**

ATTEST: (SEAL)

**Naomi D. Maestas
Los Alamos County Clerk**

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution

	ACTUAL	REV BUDGET	BUDGET	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Expenditure Forecast												
Supervision, Misc Direct Admin	185,613	184,778	227,392	230,673	234,133	237,645	241,210	244,828	248,501	252,228	256,012	259,852
Hydrants	-	60,645	-	-	-	-	-	-	-	-	-	-
Water Distribution	303,360	447,203	416,904	426,042	432,433	438,919	445,503	452,186	458,969	465,853	472,841	479,933
Water Meters	531,314	634,691	693,060	708,326	408,326	414,450	420,667	426,977	433,382	439,883	446,481	453,178
Capital Project Inspections & Support	-	6,074	6,295	6,389	6,389	6,485	6,582	6,681	6,781	6,883	6,986	7,091
Interdepartmental Charges	251,649	330,744	344,477	344,477	349,645	354,889	360,213	365,616	371,100	376,667	382,317	388,051
Administrative Division Allocation	416,010	805,686	668,621	674,478	684,595	694,864	705,287	715,866	726,604	737,503	748,566	759,794
Cost of Water	2,767,536	2,650,500	2,829,409	2,985,026	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750
Capital	1,786,142	1,335,115	-	-	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Operation Expenses	4,455,481	5,180,125	5,185,937	5,375,317	4,944,271	4,976,003	5,008,212	5,040,904	5,074,086	5,107,767	5,141,952	5,176,650
Total Capital Expenditures	1,786,142	1,335,115	0	0	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Expenditures	6,241,623	6,515,240	5,185,937	5,375,317	4,995,276	6,051,003	5,878,212	5,936,904	5,996,086	5,930,767	6,315,952	6,217,650
Revenue Forecast												
kgal Sales	755,656	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Revenue per kgal	\$ 5.73	\$ 6.33	\$ 6.66	\$ 6.99	\$ 7.28	\$ 7.54	\$ 7.73	\$ 7.88	\$ 8.02	\$ 8.14	\$ 8.26	\$ 8.39
Rate Increase Percentage	10.00%	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	1.50%
Total Sales Revenue	4,333,338	4,905,750	5,160,579	5,415,543	5,645,704	5,843,303	5,989,386	6,109,173	6,216,084	6,309,325	6,403,965	6,500,025
Interest on Utility Reserves	472	9,161	-	-	-	-	-	-	-	-	-	-
Revenue on Recoverable Work	22,389	30,450	15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Misc Service Revenues	35,410	15,000	15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Total Cash Inflow from Operations	4,391,609	4,945,361	5,190,579	5,445,543	5,676,154	5,874,210	6,020,756	6,141,014	6,248,403	6,342,129	6,437,261	6,533,819

R&R and Cash Flows

Net Cash Flow												
Cumulative Net Cash Flow	(1,850,014)	(1,569,879)	4,642	70,226	680,878	(176,793)	142,544	204,110	252,316	411,362	121,309	316,170
	(1,850,014)	(1,569,879)	4,642	74,868	755,745	578,952	721,496	925,606	1,177,922	1,589,284	1,710,593	2,026,763
Cash Balance	(1,283,827)	(2,853,706)	(2,849,065)	(2,778,839)	(2,097,961)	(2,274,754)	(2,132,211)	(1,928,100)	(1,675,784)	(1,264,422)	(1,143,114)	(826,944)
Recommended Cash Balance	2,401,052	1,231,873	1,849,557	1,866,439	1,729,053	1,744,920	1,761,024	1,777,370	1,793,961	1,810,801	1,827,894	1,845,243

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution

Rates												
Commodity rate per kgal												
Residential Tier 1 - < 9,000 gals	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67	6.67
Residential Tier 2 - 9 to 15,000 gals	5.29	5.62	5.90	6.15	6.37	6.53	6.66	6.78	6.88	6.98	7.08	7.08
Residential Tier 3 - > 15,000 gals	6.32	6.71	7.05	7.35	7.61	7.80	7.96	8.10	8.22	8.34	8.47	8.47
Multi-Family Tier 1 - < 9,000 gals	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67	6.67
Multi-Family Tier 2 - 9 to 15,000 gals	5.23	5.55	5.83	6.08	6.29	6.45	6.58	6.70	6.80	6.90	7.00	7.00
Multi-Family Tier 3 - > 15,000 gals	5.35	5.68	5.96	6.21	6.43	6.59	6.72	6.84	6.94	7.04	7.15	7.15
Commercial All Tiers	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67	6.67
County & Schools All Tiers	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67	6.67
Customer Charge per Meter Size												
= 0" < 1.25"	9.42	10.01	10.51	10.96	11.34	11.62	11.85	12.06	12.24	12.42	12.61	12.61
1.5"	29.84	31.71	33.30	34.72	35.94	36.84	37.58	38.24	38.81	39.39	39.98	39.98
2"	44.55	47.33	49.70	51.81	53.62	54.96	56.06	57.04	57.90	58.77	59.65	59.65
2.5" to 3"	87.91	93.41	98.08	102.25	105.83	108.48	110.65	112.59	114.28	115.99	117.73	117.73
4"	149.69	159.04	166.99	174.09	180.18	184.68	188.37	191.67	194.55	197.47	200.43	200.43
6"	316.01	335.76	352.55	367.53	380.39	389.90	397.70	404.66	410.73	416.89	423.14	423.14
8"	522.13	554.76	582.50	607.26	628.51	644.22	657.10	668.60	678.63	688.81	699.14	699.14

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Production

	1.50%	ACTUAL 2017	REV BUDGET 2018	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	
Expenditure Forecast														
Supervision and Operations		729,505	1,068,806	676,041	679,183	689,371	699,712	710,207	720,861	731,673	742,649	753,788	765,095	
Pumping Power		560,399	800,000	810,500	821,157	833,474	845,976	858,666	871,546	884,619	897,889	911,357	925,027	
Wells		155,664	135,631	129,025	132,200	134,183	136,196	138,239	140,312	142,417	144,553	146,721	148,922	
Booster Pump Stations		79,395	123,587	128,025	130,800	132,762	134,753	136,775	138,826	140,909	143,022	145,168	147,345	
Treatment		29,474	170,771	152,354	155,600	157,934	160,303	162,707	165,148	167,625	170,140	172,692	175,282	
Storage Tanks		7,378	19,385	41,512	42,400	43,036	43,681	44,337	45,002	45,677	46,362	47,057	47,763	
Transmission Lines		105,016	64,705	208,432	213,019	216,214	219,457	222,749	226,090	229,482	232,924	236,418	239,964	
Capital Project Inspection & Support				13,671	14,100	14,311	14,526	14,744	14,965	15,190	15,418	15,649	15,884	
Non Potable System		458,883	513,018	290,169	271,573	275,646	279,781	283,978	288,237	292,561	296,949	301,404	305,925	
Ski Hill		14,935		67,253	68,625	69,654	70,699	71,760	72,836	73,929	75,038	76,163	77,306	
Interdepartmental Charges		263,893	341,062	326,610	326,610	331,510	336,482	341,530	346,652	351,852	357,130	362,487	367,924	
Administrative Division Allocation		539,018	678,114	684,926	672,687	682,778	693,019	703,415	713,966	724,675	735,545	746,579	757,777	
State Water Tax		35,173	45,000	45,000	45,000	45,675	46,360	47,056	47,761	48,478	49,205	49,943	50,692	
Debt Service		232,053	235,735	238,433	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686	
Capital		-	10,937,623	1,378,750	35,000	-	-	-	1,194,000	1,230,000	1,267,000	1,305,000	1,344,000	
Capital Paid with Debt/Grants/Reimb				1,426,250	780,000	750,000	-	825,000	1,300,000	922,000	633,000	1,207,000	336,000	
Capital Paid with Cash														
Total Operations Expenses		3,210,786	4,563,332	3,811,951	3,831,328	3,933,462	4,037,086	4,381,473	4,484,120	4,473,414	4,407,581	4,512,586	4,611,592	
Total Capital Expenditures		0	10,937,623	2,805,000	815,000	750,000	0	825,000	2,494,000	2,152,000	1,900,000	2,512,000	1,680,000	
Less Capital Paid by WTB/Other			(1,426,250)	(780,000)	(780,000)	(750,000)	-	(825,000)	(1,300,000)	(922,000)	(633,000)	(1,207,000)	(336,000)	
Total Cash Outflow		3,210,786	15,500,955	5,190,701	3,866,328	3,933,462	4,037,086	4,381,473	5,678,120	5,703,414	5,674,581	5,817,586	5,955,592	
Revenue Forecast														
Non-potable														
Non-potable production in kgal		63,702	86,400	90,400	90,400	94,500	94,500	108,600	136,500	136,500	136,500	136,500	136,500	
Revenue per kgal	\$	0.74	\$	2.50	\$	1.70	\$	1.70	\$	1.70	\$	1.70	\$	1.70
Non-potable rate per 1000 gallons	\$	1.15	\$	2.50	\$	2.50	\$	2.50	\$	2.50	\$	2.50	\$	2.50
Rate Increase Percentage			117%											
Non-potable sales revenue	\$	47,043	\$	216,000	\$	153,680	\$	184,620	\$	232,050	\$	232,050	\$	232,050

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Production

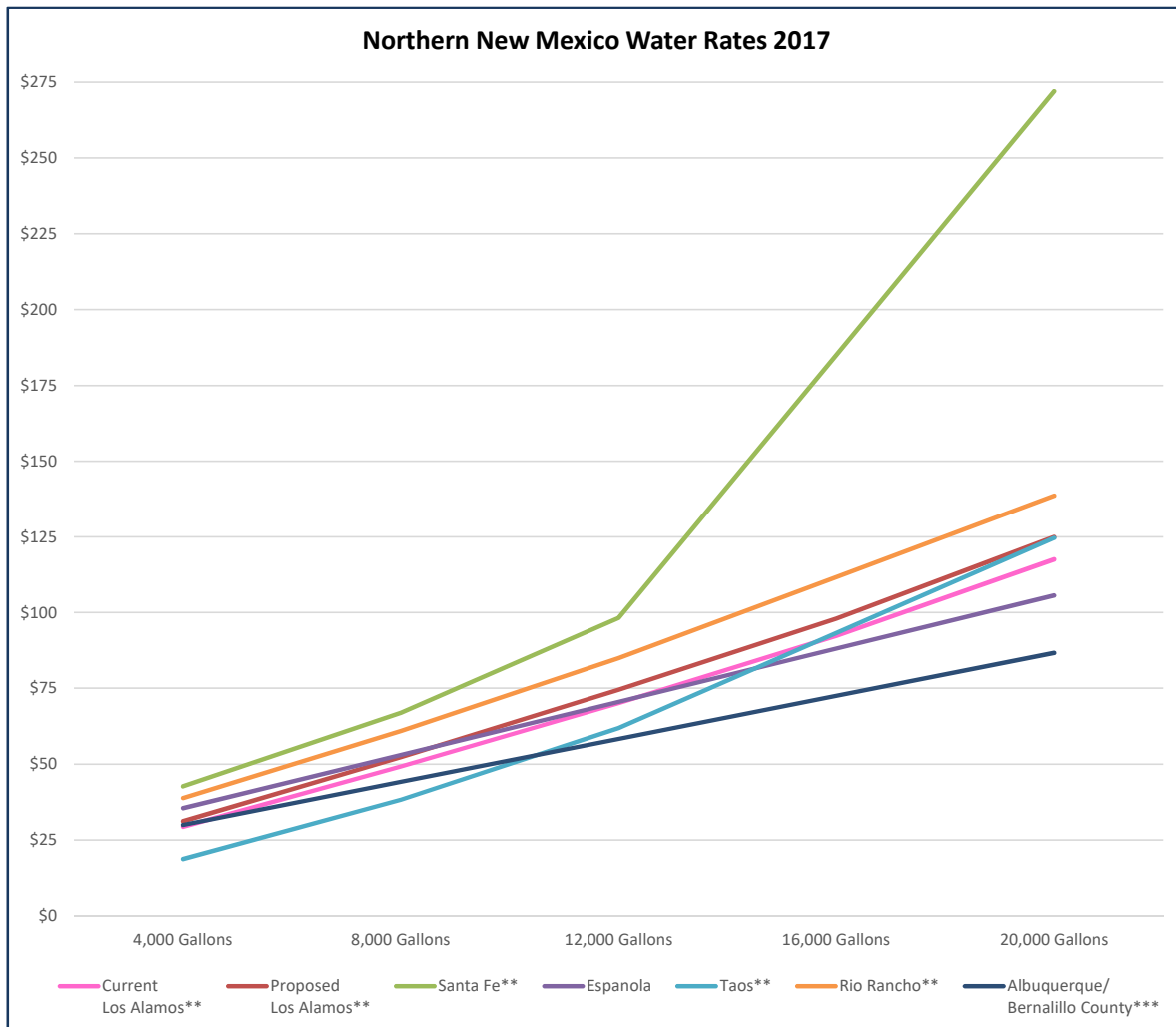
	1.50%	ACTUAL 2017	REV BUDGET 2018	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Potable													
Production in thousand gallons		1,035,301	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Revenue per thousand gallons		\$ 3.46	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65
Rate Increase Percentage		10.00%	8.00%										
Potable sales revenue		\$ 3,579,231	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500
Total Sales Revenue		\$ 3,626,274	\$ 4,413,500	\$ 4,351,180	\$ 4,351,180	\$ 4,358,150	\$ 4,358,150	\$ 4,382,120	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550
Repayment & Interest on Inter-Utility Loans		187,569	187,569	187,569	187,569	187,569	187,569	187,569	187,569	93,784	-	-	-
Interest on Utility Reserves		332,598	109,233	79,426	71,251	89,840	112,035	121,759	139,197	145,190	143,721	136,853	136,318
Bond Federal Subsidy		25,673	27,576	27,576	27,576	27,576	27,576	27,576	21,338	14,940	10,459	8,496	8,496
Econ Dev Fund/Ski Hill Reimb		-	5,271,000	-	468,000	-	-	-	-	-	-	-	-
Federal or State Grant/Loan		415,506	-	-	-	750,000	-	825,000	1,300,000	922,000	633,000	1,207,000	336,000
Total Cash Inflow		4,587,620	10,008,878	4,645,751	5,105,576	5,413,135	4,685,330	5,544,024	6,077,654	5,605,464	5,216,729	5,781,899	4,910,363
R&R and Cash Flows													
Net Cash Flow		1,376,835	(5,492,077)	(544,951)	1,239,249	1,479,673	648,244	1,162,551	399,534	(97,950)	(457,852)	(35,687)	(1,045,229)
Cumulative Net Cash Flow		1,376,835	(5,492,077)	(544,951)	694,298	2,173,971	2,822,215	3,984,766	4,384,300	4,286,350	3,828,498	3,792,811	2,747,582
Cash Balance		10,787,114	5,295,037	4,750,086	5,989,335	7,469,008	8,117,252	9,279,803	9,679,337	9,581,387	9,123,535	9,087,848	8,042,619
Recommended Cash Balance			3,000,775	4,200,622	4,231,699	4,332,049	4,420,238	4,748,958	4,835,703	4,808,857	4,726,642	4,815,019	4,897,147

Los Alamos County Department of Public Utilities
Proposed Water Rate Increase
February 2019

**IMPACT ON RATE PAYERS:
Los Alamos and Neighboring Communities**

	Annual Water	median income	%age of income
Current Los Alamos	471.60	105,989	0.44%
Proposed Los Alamos	501.00	105,989	0.47%
Proposed LA compared to NM			
income	501.00	50,172	1.00%
Albuquerque/Bernalillo County	444.33	47,413	0.94%
Taos	318.36	32,076	0.99%
Rio Rancho	593.40	59,243	1.00%
Santa Fe	657.36	50,213	1.31%
Espanola	531.12	30,336	1.75%
NEIGHBORS' AVERAGES	508.91	43,856	1.20%

Los Alamos County Department of Public Utilities
Proposed Water Rate Increase
February 2019



SAMPLE RESIDENTIAL BILL - Assuming 5/8" Meter & PEAK Season*

Monthly Usage	Current Los Alamos**	Proposed Los Alamos**	Santa Fe**	Espanola	Taos**	Rio Rancho**	Albuquerque/ Bernalillo County***
4,000 Gallons	29.34	31.17	42.66	35.49	18.69	38.81	29.94
6,000 Gallons	39.30	41.75	54.78	44.26	26.53	49.45	37.03
8,000 Gallons	49.26	52.33	66.90	53.03	38.31	60.97	44.12
12,000 Gallons	70.11	74.48	98.22	70.56	61.87	84.91	58.30
14,000 Gallons	80.69	85.72	141.66	79.33	77.57	98.33	65.39
16,000 Gallons	92.30	98.06	185.10	88.10	93.27	111.75	72.48
20,000 Gallons	117.58	124.94	271.98	105.63	124.67	138.59	86.66
30,000 Gallons	180.78	192.14	489.18	149.47	203.17	205.69	122.11

* For comparison purposes, August was used for all locations

** Tiered or seasonal rates apply for this jurisdiction

*** Rates shown DO NOT include the surcharges for usage in excess of a citizen's water budget calculated by season and winter mean which can be up to 100% of commodity charge. Drought surcharges of up to 400 percent may also apply.

Projected Average Water Bill for Residential Customers

	6,000 Gallon per Month Water Bill	Rate Increase Percentage	Additional Annual Cost Over Previous Year	Los Alamos		Assumed Annual Income Increase	Percentage of Income Needed to Pay Water Bill		New Mexico Median Household Income**	Assumed Annual Income Increase	Percentage Needed To Pay Utility Bill
				Median	Household Income *		Assumed Annual Income Increase	Needed to Pay Water Bill			
				Annual Cost	Income *						
FY2019	\$41.76	6.25%	\$29.48	\$105,989	\$105,989	2.5%	0.47%	\$50,172	2.5%	1.00%	
FY2020	\$43.84	5.00%	\$25.05	\$108,639	\$108,639	2.5%	0.48%	\$51,426	2.5%	1.02%	
FY2021	\$45.71	4.25%	\$22.36	\$111,355	\$111,355	2.5%	0.49%	\$52,711	2.5%	1.04%	
FY2022	\$47.31	3.50%	\$19.20	\$114,139	\$114,139	2.5%	0.50%	\$54,029	2.5%	1.05%	
FY2023	\$48.49	2.50%	\$14.19	\$116,992	\$116,992	2.5%	0.50%	\$55,380	2.5%	1.05%	
FY2024	\$49.46	2.00%	\$11.64	\$119,917	\$119,917	2.5%	0.49%	\$56,764	2.5%	1.05%	
FY2025	\$50.33	1.75%	\$10.39	\$122,915	\$122,915	2.5%	0.49%	\$58,184	2.5%	1.04%	
FY2026	\$51.08	1.50%	\$9.06	\$125,988	\$125,988	2.5%	0.49%	\$59,638	2.5%	1.03%	
FY2027	\$51.85	1.50%	\$9.19	\$129,137	\$129,137	2.5%	0.48%	\$61,129	2.5%	1.02%	

* Source: Sperling's "Best Places", www.bestplaces.net

** Source: www.deptofnumbers.com/income/new-mexico/

Los Alamos County Department of Public Utilities
10-Year Financial Forecast - FY2019 - FY1028
Customer Impact

Projected Average Bill for Residential

	ELECTRIC kwh	500 GAS 75 therms (assumes \$0.30 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase	Total cumulative % Increase
FY2019	\$69.60	\$49.25	\$41.76	\$51.25	\$211.85	3.04%	3%
FY2020	\$69.60	\$49.25	\$45.10	\$54.45	\$218.40	3.09%	6%
FY2021	\$69.60	\$49.25	\$47.92	\$57.17	\$223.94	2.54%	9%
FY2022	\$69.60	\$49.25	\$50.31	\$59.60	\$228.76	2.15%	11%
FY2023	\$69.60	\$49.25	\$52.45	\$61.69	\$232.99	1.85%	13%
FY2024	\$69.60	\$49.25	\$54.55	\$63.23	\$236.63	1.56%	15%
FY2025	\$69.60	\$49.25	\$56.18	\$64.49	\$239.53	1.23%	17%
FY2026	\$69.60	\$49.25	\$57.31	\$65.62	\$241.78	0.94%	18%
FY2027	\$69.60	\$49.25	\$58.31	\$66.61	\$243.77	0.82%	19%
FY2028	\$69.60	\$49.25	\$59.18	\$67.61	\$245.64	0.77%	19%
FY2029	\$69.60	\$49.25	\$60.07	\$68.62	\$247.54	0.77%	20%

Utility Expense as a Percentage of Income

	Total Bill for Average Household	Los Alamos Median Household Income *	Assumed Annual Income Increase	Percentage Needed to Pay Utility Bill	New Mexico Median Household Income**	Assumed Annual Income Increase	Percentage Needed To Pay Utility Bill
FY2019	\$211.85	\$105,989	2.5%	2.40%	\$50,172	2.5%	5.07%
FY2020	\$218.40	\$108,639	2.5%	2.41%	\$51,426	2.5%	5.10%
FY2021	\$223.94	\$111,355	2.5%	2.41%	\$52,711	2.5%	5.10%
FY2022	\$228.76	\$114,139	2.5%	2.41%	\$54,029	2.5%	5.08%
FY2023	\$232.99	\$116,992	2.5%	2.39%	\$55,380	2.5%	5.05%
FY2024	\$236.63	\$119,917	2.5%	2.37%	\$56,764	2.5%	5.00%
FY2025	\$239.53	\$122,915	2.5%	2.34%	\$58,184	2.5%	4.94%
FY2026	\$241.78	\$125,988	2.5%	2.30%	\$59,638	2.5%	4.86%
FY2027	\$243.77	\$129,137	2.5%	2.27%	\$61,129	2.5%	4.79%
FY2028	\$245.64	\$132,366	2.5%	2.23%	\$62,657	2.5%	4.70%
FY2029	\$247.54	\$135,675	2.5%	2.19%	\$64,224	2.5%	4.63%

* Source: Sperling's "Best Places", www.bestplaces.net

** Source: www.deptofnumbers.com/income/new-mexico/

**NOTICE OF PUBLIC HEARING FOR
INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-294
AN ORDINANCE AMENDING CHAPTER 40, ARTICLE III, SECTIONS 40-171, 40-173 AND 40-175 OF THE CODE OF THE INCORPORATED COUNTY OF LOS ALAMOS PERTAINING TO
POTABLE and NON-POTABLE WATER RATES AND BULK DELIVERY RATES**

Notice is hereby given that the Board of Public Utilities (BPU), Incorporated County of Los Alamos, State of New Mexico, will hold a public hearing on February 20, 2019 at 5:30 p.m. at the Los Alamos Municipal Building at 1000 Central Avenue in Council Chambers. At this open meeting, the BPU will consider and receive public comment on Los Alamos County Code Ordinance No. 02-294. A full copy of the ordinance is available for inspection during regular business hours at the Department of Public Utilities at 1000 Central Avenue, Suite 130. A full copy can also be viewed online at <https://rebrand.ly/dpuwaterrate02-294>. Interested citizens are encouraged to attend this public hearing.

Carrie Walker, Board of Public Utilities Chair
Published: January 31st, 2019

Section 1. Section 40-171 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-171. - Potable water rate schedule 8-A.

(a) *Applicability.* Potable water rate schedule 8-A is applicable to all classes of retail customers whether commercial, residential or otherwise. The rate shall consist of a service charge plus a water consumption charge.

(b) *Service charge.*

Water Meter Size	Service Charge Per Meter Per Month
1¼ inch and under	\$ 9.42 <u>10.01</u>
1½ inch	29.84 <u>31.71</u>
2-inch	44.55 <u>47.33</u>
2½ inch, 3-inch	87.91 <u>93.40</u>
4-inch	149.69 <u>159.05</u>
6-inch	316.01 <u>335.76</u>
8-inch	522.13 <u>554.76</u>

(c) *Water consumption charge.* The water consumption charge shall be charged to each customer billed under rate schedule 8-A according to the following schedule:

Consumption Oct—Apr (Non-Peak Season) Commodity Rate Per 1,000 Gallons				Consumption May—Sept (Peak Season) Commodity Rate Per 1,000 Gallons			
Monthly usage	<9,000 gal	9—15,000 gal	>15,000 gal	Monthly usage	<9,000 gal	9—15,000 gal	>15,000 gal
Residential	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>	Residential	4.985 <u>.29</u>	5.295 <u>.62</u>	6.326 <u>.72</u>
Multi-family	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>	Multi-family	4.985 <u>.29</u>	5.235 <u>.56</u>	5.355 <u>.68</u>
Commercial	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>	Commercial	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>
County/Schools	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>	County/Schools	4.985 <u>.29</u>	4.985 <u>.29</u>	4.985 <u>.29</u>

Note: Multi-family includes dwelling units and apartments as defined in section 40-201.

Section 2. Section 40-173 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-173. ~~Nonpotable~~ Non-potable water rate charge.

The water consumption rate for ~~nonpotable~~ non-potable water, including effluent reuse water, shall be ~~\$2.50~~2.66 per 1,000 gallons.

Section 3. Section 40-175 of the Code of the Incorporated County of Los Alamos is amended to read as follows:

Sec. 40-175. - Bulk delivery rate schedule 8-D.

(a) Applicability. Schedule 8-D is applicable to all bulk water sold and delivered to bulk points of delivery. The rate shall consist of a service charge plus a water consumption charge.

(b) The bulk delivery rate for water sold and delivered to bulk points of delivery shall be ~~\$3.42~~3.63 per 1,000 gallons.

(c) The customer service charge for water sold and delivered to bulk points of delivery shall be ~~\$643.90~~684.14 per month per customer.

Section 4. Effective Date. This ordinance shall become effective upon adoption with the amended water rates being applied for all billings on or after April 2, 2019.



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 5.B
Index (Council Goals): BCC - N/A
Presenters: Tim Glasco, Utilities Manager
Legislative File: 11692-19

Title

Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Addition of Rule GR-16: Advanced Metering Infrastructure

Recommended Action

I move the Board of Public Utilities approve modifications to the Department of Public Utilities Rules & Regulations - Addition of new Rule GR-16: Advanced Metering Infrastructure.

Staff Recommendation

Staff recommends approval of the proposed rule.

Body

In November, 2018, the Board of Public Utilities approved Services Agreement AGR19-912 with Ferguson Incorporated for system-wide deployment of Advanced Metering Infrastructure (AMI). During previous discussions on the project, some concern was raised by members of the Board and the Public regarding potential public disclosure under the New Mexico Inspection of Public Records Act of a customer's incremental, short-duration usage data. As part of the approval motion, the Board revised its previously adopted direction to DPU Staff, and directed Staff return with a Rule allowing customers to opt out of the AMI program with no penalties or fees. At its regular meeting on December 18, 2018, the Los Alamos County Council approved the contract with Ferguson, but required the BPU to finalize an opt out policy before the contract could be executed. At a meeting of the joint BPU/CC coordinating committee on February 8, 2019, it was agreed that the Board would consider a DPU Rule allowing for opt outs that would also detail how the public would be informed. If Rule GR-16 is adopted by the Board, the County Council would then consider authorizing execution of the Ferguson contract.

Alternatives

If the Board does not adopt the attached Rule GR16, the County Council may or may not authorize execution of the AMI contract.

Fiscal and Staff Impact/Planned Item

Fiscal impact of allowing opt outs for AMI were discussed at length during the discussion before the Board approved the Ferguson contract. It is the opinion of Staff that opt outs would have to exceed 25% of the customer base before significant financial impacts would be felt.

Attachments

A- Proposed Rule GR-16 Advanced Metering Infrastructure

**RULES AND REGULATIONS
GENERAL RULES (GR)
RULE GR-16
ADVANCED METERING INFRASTRUCTURE**

GR-16.01 GENERAL

Rule provides for installation of advanced metering infrastructure for all customers and allows for customers to opt out of this type of metering with no penalties. Because the Utility is publicly owned, the New Mexico Inspection of Public Records Act (IPRA) considers all metering data collected by the Utility as public information. Individual customer metering data may be accessed by anyone upon filing a request with the Los Alamos County Records Manager.

GR-16.02 DESCRIPTION OF ADVANCED METERING EQUIPMENT

- A. Electric meters shall be of electronic type, with ability to collect and store incremental consumption data as programmed by the Utility.
 - 1) Meters shall be equipped with a radio transceiver to both send data to the Utility and accept information back to the meter from the Utility.
 - 2) Meters shall be equipped to allow the Utility to disable the collection, storage and transmission of data, at the Utility's option.
- B. Gas meters shall be fitted with a device to optically read the dials and transmit via radio the data back to the Utility upon demand.
 - 1) Individual meters, or the Advanced Metering Infrastructure operating system shall be equipped to allow the Utility to disable the collection, storage and transmission of data, at the Utility's option.
- C. Water meters shall be of the magnetic flow sensing type, with the ability to store incremental usage data as programmed by the Utility.
 - 1) Individual meters, or the Advanced Metering Infrastructure operating system shall be equipped to allow the Utility to disable the collection, storage and transmission of data, at the Utility's option.
- D. Meters whose collection, storage and transmission of data has been disabled shall continue to be manually read. The Utility shall not collect or store data from such meters except as needed for billing or account management purposes.

GR-16.03 CUSTOMER ABILITY TO OPT OUT OF ADVANCED METERING INFRASTRUCTURE

- A. The opt out election will be offered to the account holder, regardless of ownership or occupancy of the particular location under the following conditions:
 - 1) A customer may opt out by submitting a completed "Election to Opt Out" form to the Utility's Customer Care Center.
 - 2) Should a customer elect to opt out, the functionality of the meters and modules to collect and transmit incremental usage data will be disabled, and no such data will be collected or retained by the Utility. Billing data will be collected and used for account management and billing purposes only, typically monthly.
 - 3) Customers electing to opt out will not have access to their usage information in real time.
 - 4) Account management features enabled by Advanced Metering Infrastructure will not be available to customers who have opted out.
 - 5) Alternative rate structures that may be implemented and that utilize the detailed incremental

consumption data that advanced metering can provide will not be available to customers who opt out.

- 6) Meters will be read, typically monthly, at the customer's location by Utility staff for billing or account management purposes.
 - 7) No additional fees or penalties will be assessed to customers who elect to opt out of Advanced Metering Infrastructure.
- B. If a customer does not elect to opt out when first advised of the opportunity to do so, but later decides they wish to opt out, they may do so by contacting the Utility Customer Care Center staff and submitting the "Election to Opt Out" form. The functionality of the metering equipment to record and transmit incremental usage data will be disabled within ten business days of receiving such request from the customer.
- C. If a customer does elect to opt out but later decides they wish to cancel this election, they may do so by contacting the Customer Care Center and retracting their previously executed "Election to Opt Out" form.
- D. If a customer that chose to opt out at a specific location vacates their service location, the opt out election of the customer moving out will not automatically be transferred to a new location in the Department's service area. The customer moving must submit a new election for the new location if that customer wishes to continue to opt out of participation in the Advanced Metering Infrastructure program.

GR-16.04 CUSTOMER NOTIFICATION OF ABILITY TO OPT OUT

- A. The Utility will take all reasonable efforts to notify every customer that data collected by the Utility is subject to disclosure under IPRA. Customers concerned about the potential for their incremental usage data to be disclosed, will not be required to participate in the Advanced Metering Infrastructure program.
- 1) Reasonable notification efforts will include public service announcements in the local media, bill inserts, and posters or flyers prominently displayed at the Utility's Customer Service counters and other locations throughout the County where public service announcements are routinely posted.
- B. All new customers will be provided the same full disclosure regarding the possibility of public release of their incremental metering data and will be afforded the opportunity to opt out when establishing service should they choose to do so.



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.A
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 11695-19

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of January 16th, 2019 and January 22nd, 2019 as presented.

Body

REQUESTED REVISIONS TO THE DRAFT MINUTES

Draft minutes are sent to members after each meeting for their review. Members may then send changes to be incorporated prior to final approval of the minutes at the next regular meeting. There were no changes.

Attachments

- A - Draft BPU Regular Session Minutes - January 16th, 2019
- B - Draft BPU Special Session Minutes - January 22nd, 2019



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Jeff Johnson, Chair; Carrie Walker, Vice-chair; Paul Frederickson, Stephen McLin and
Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison*

Wednesday, January 16, 2019

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, January 16th, 2018 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

Present 6 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin, Board Member Taylor and Board Member Glasco

Absent 1 - Board Member Burgess

Deputy County Manager Mr. Steve Lynne attended for Mr. Burgess.

2. PUBLIC COMMENT

Mr. Johnson opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. Members of the public gave the following summarized comments:

1) Mr. Steve Tobin, 1856 Cooper Place - Mr. Tobin provided a written comment, which is included in the minutes as an attachment.

3. APPROVAL OF AGENDA

Ms. Taylor moved that the agenda be approved as presented. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

4. BOARD BUSINESS

4.A. Chair's Report

Mr. Johnson had nothing to report.

4.B. Board Member Reports

Board members reported on the following items:

1) Mr. McLin - Mr. McLin expressed his gratitude to the former Deputy Utility Manager of Electric Distribution, Mr. Rafael De La Torre, who left the County to take a position at Los Alamos National Lab. He thanked Mr. De La Torre for his service to the community.

2) Mr. Frederickson - Mr. Frederickson noted that at least two customers have commented to him that it is not fair if the expense of reading meters for those who don't want to use net metering is put on the rest of the rate payers. They believe the people who don't want net metering should pay for that extra expense. *[Mr. Frederickson clarified after the meeting that his report was regarding "smart meters" rather than "net metering."]*

3) Mr. McLin and Ms. Taylor volunteered to serve on the joint Board/Council subcommittee.

4.C. Utilities Manager's Report

Mr. Glasco provided a written report, which is included in the minutes as an attachment.

4.D. County Manager's Report

Mr. Lynne had nothing to report.

4.E. Council Liaison's Report

Mr. Pete Sheehey reported on the following items:

1) Mr. Sheehey has discussed expectations with Council Chair Sara Scott. They agree they want to continue or amplify the amount of joint work with the Board/Council subcommittee. Once the four members are in place, a schedule will be set with the goal in mind of keeping on the same page, not getting behind on deadlines and giving everyone time to make good or revised decisions if necessary. Council will ask staff, in some cases, to bring matters earlier so that there is time to consider alternatives and answer questions. Mr. Sheehey gives staff advance warning when he has questions about something in an agenda so that they have time to prepare answers. Council leadership has been talking about possibly getting Council agenda packets published sooner. He recognizes that is a burden on staff, but feels in the long run it will save time, especially in situations where something must be delayed because Council members can't agree.

2) Mr. Sheehey will continue to promote the progress the past two liaisons urged in preparing budgets and making sure all the sub-utility funds have adequate reserves. A huge amount of progress has been made toward that end, but there are still a few funds where he would like to see the reserves adequately funded in a shorter timeframe. Mr. Sheehey recognized that the money to do that has to come from somewhere, and rates should not be raised unnecessarily; nevertheless, he believes these reserve funds are important to continued operations.

3) Mr. Sheehey feels that rates should be charged to cover normal anticipated maintenance. However, there are still existing historical situations where sewer and water pipes were run in a very non-standard fashion. Mr. Sheehey feels that repairs of that kind are an obligation on the whole town. Mr. Sheehey would have no problem recommending that general capital improvement funds be used to repair those types of mistakes and

doesn't believe it should fall on the general rate payer. He noted that everyone who buys a house here expects to have a basic utility infrastructure, and if that hasn't been provided, he believes that should be paid for with general monies. Mr. Sheehey explained that the Board is authorized in some cases to recommend general obligation bonds to meet necessary expenses. He clarified that he is not saying general obligation bonds should be used if there is other capital improvement money, and at least three other councilors would have to be convinced to utilize general capital improvement money, which is very tightly fought over. Mr. Sheehey informed the Board that he was at the legislative session today. County representatives are continuing to work to have the same law passed that was passed last year so that regardless of LANL's status as profit or non-profit, they would be required to pay gross receipts tax. If that does come to pass, Mr. Sheehey feels there would be additional capital improvement funds to meet both recreational and other infrastructure needs.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns provided a written report, which is included in the minutes as an attachment.

4.G. General Board Business

4.G.1 [11564-19](#) Approval of Board of Public Utilities Meeting Calendar for 2019

Presenters: Jeff Johnson

In accordance with Incorporated County of Los Alamos Resolution No.19-01 regarding the Open Meetings, notice of regular meetings of all county boards, commissions and policymaking bodies shall be given ten days in advance of the meeting date. Each County board, commission and policymaking body may adopt a schedule of its regular meetings for the present calendar year or the balance thereof.

Mr. Frederickson moved the Board of Public Utilities approve the proposed Board meeting calendar for 2019. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

4.G.2 [11565-19](#) Approval of Meeting Agenda Outline for 2019

Presenters: Jeff Johnson

Section 3.3 of the Board of Public Utilities Policies and Procedures Manual outlines an annual calendar of BPU activities. Annually at the January meeting, the Board is to review and approve the standard meeting agenda outline in section 3.4 of the PPM.

Ms. Walker moved that the Board of Public Utilities approve the meeting agenda outline for 2019 as presented. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

4.G.3 [11566-19](#) Appointment of Board Member to Audit Committee for 2019

Presenters: Jeff Johnson

Mr. Johnson was appointed to serve on the Audit Committee for 2018.

4.G.4 [11567-19](#)

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 19-01

Presenters: Jeff Johnson

At the first County Council meeting of a new calendar year, Council passes an Open Meetings Resolution that establishes minimum standards of reasonable notice to the public for all meetings of County boards, commissions, and policy making bodies. After the resolution is passed, the Board of Public Utilities reviews the resolution at the next regularly scheduled meeting and affirms the standards, as per Section 2.12.C of the Board's Policies and Procedures Manual.

Ms. Taylor moved that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 19-01; A Resolution Establishing Minimum Standards Of Reasonable Notice To The Public For All Meetings Of The Council, The County Indigent Hospital And County Health Care Board And Of All County Boards, Commissions And Policymaking Bodies. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

4.G.5 [11568-19](#)

Election of Board of Public Utilities Chair and Vice-chair for 2019

Presenters: Jeff Johnson

The Board of Public Utilities shall annually elect its chair and such officers as it desires from among its members. The election shall occur at the regular meeting in January of each year. (LAC Ordinance Sec. 40-41. Board of public utilities - Organization)

ELECTION OF BOARD CHAIR:

Member Taylor nominated Member Walker.

After a roll call vote, Member Walker was appointed Board Chair.

Member Walker: 5 - Member Frederickson, Member Johnson, Member McLin, Member Taylor, Member Walker

ELECTION OF BOARD VICE-CHAIR:

Member Taylor nominated Member Johnson.

After a roll call vote, Member Johnson was appointed Board Vice-chair.

Member Johnson 4 - Member Frederickson, Member Johnson, Member Taylor, Member Walker

Abstained - Member McLin

4.G.6 [11312-18](#) Quarterly Update on Utility System - Water System

Presenters: Jack Richardson

Deputy Utility Manager of Gas, Water & Sewer Mr. Jack Richardson presented this item.
The following is the substance of the item being considered.

The Board has requested a quarterly system assessment on a different utility each quarter. Mr. Richardson presented an update on the water system.

The Board discussed this item and requested clarification where necessary.

4.H. Approval of Board Expenses

There were no expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [11551-19](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

No additional items were identified for the tickler.

Mr. Johnson called for a recess at 7:34 p.m. The meeting reconvened at 7:44 p.m.

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

6. CONSENT AGENDA

Mr. moved that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions contained in the staff reports be included in the minutes for the record. The motion passed by the following vote:

6.A [11550-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Department of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of December 19th, 2018 as presented.

6.B [AGR0609-19](#) Approval of Services Agreement AGR19-27 with Los Alamos National Bank in the amount of 142,800.00, plus New Mexico Gross Receipts Tax, for the Purpose of Lock Box Services.

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve agreement AGR19-27 with Los Alamos National Bank in the amount of 142,800.00, plus New Mexico Gross Receipts Tax, for the Purpose of Lock Box Services.

- 6.C [AGR0610-19](#) Approval of Services Agreement No. AGR19-18 with Transmission & Distribution Services, LLC in the amount of \$195,000.00 plus Applicable Gross Receipts Tax, for the Purpose of On-call Services for Utility Power Distribution Electrical Engineering

Presenters: Steve Cummins

I move that the Board of Public Utilities approve Services Agreement No. AGR19-18 with Transmission & Distribution Services, LLC in the amount of \$195,000.00 plus Applicable Gross Receipts Tax, for the Purpose of On-call Services for Utility Power Distribution Electrical Engineering

- 6.D [11537-19](#) Approval of the Purchase of an Aerzen Blower from Advanced Process Technologies in the Amount of \$114,365.00, plus Applicable Gross Receipts Tax

Presenters: Jack Richardson

I move that the Board of Public Utilities approve the purchase of an Aerzen Blower as outlined in quote E14-24118.R3, from Advanced Process Technologies in the amount of \$114,365.00, plus applicable gross receipts tax.

7. BUSINESS

- 7.A [11570-19](#) Board of Public Utilities (BPU) Policy Regarding Smart Meter Opt Outs

Presenters: Bob Westervelt

The following actions were identified for follow-up:

1) At their meeting on December 18, 2018, Council approved a contract for Advanced Metering Infrastructure equipment and services with the stipulation that the contract not be executed until Council approved a Board of Public Utilities smart meter opt out policy. Prior to taking any action on this policy, the Board will work more with Council to determine if this stipulation was within the Councils purview under the Charter.

Mr. Johnson moved to table this item. The motion passed by the following vote:

Yes: 3 - Board Member Johnson, Vice-chair Walker and Board Member Frederickson

No: 2 - Board Member McLin and Board Member Taylor

- 7.B [11569-19](#) Initial Discussion - Water Rate Adjustment

Presenters: Bob Westervelt

Deputy Utility Manager of Finance and Administration Mr. Bob Westervelt presented this item. The following is the substance of the item being considered.

The ten-year forecast for the water utility presented with the FY2019/20 budget includes a

series of incremental rate increases to generate revenues needed for current operations and to build cash reserves necessary for future infrastructure needs. Over the course of several meetings of the Board of Public Utilities in the fall of 2016, several alternative scenarios were considered. A scenario that was the considered the most reasonable balance between increased rates and necessary system expenditures was selected and was the foundation upon which the ten-year budgetary projection was based. A 6.25% increase in both retail and wholesale sales is proposed, plus an increase from \$2.50 per 1000 gallons to \$2.66 per 1000 gallons for non-potable water sales.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) Mr. Westervelt will return to the Board in February as planned to present a water rate ordinance for approval.

8. STATUS REPORTS

8.A 11552-19 Status Reports

Presenters: Board of Public Utilities

The following informational status reports were provided to the Board in the agenda packet:

- 1) Electric Reliability Update
- 2) Accounts Receivables Report
- 3) Safety Report

9. PUBLIC COMMENT

Mr. Johnson opened the floor for public comment on any items. Members of the public gave the following summarized comments:

- 1) Mr. McLin reiterated his comments from the Board member reports.

10. ADJOURNMENT

The meeting adjourned at 8:27 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT WRITTEN PUBLIC COMMENTS

People who give public comment at a meeting may submit a written copy before, during or after the meeting to be included in the minutes.

Comments to Utility Board by Steve Tobin of North Mesa (1856 Cooper Pl.), 1/16/2019

- I support Los Alamos County's successful achievement of carbon neutrality!
- My comments consider the following as input:
 - Discussions surrounding Los Alamos County's involvement in the Small Modular Reactor (SMR) project in Idaho
 - The Integrated Resource Planning Document produced by Pace Global (Siemens) for Los Alamos County
 - The economic data on the Levelized Cost of Energy (LCOE) by Lazard Financial Advisors, specifically:
 - Currently deployed, industrial-scale wind and solar photovoltaic (PV) are the cheapest means of producing electricity based on the comparative, unsubsidized LCOE of all energy sources.
 - <https://www.lazard.com/perspective/levelized-cost-of-energy-2017/>
 - We live in a state and a local region that is blessed with abundant sources of both wind and solar power.
 - The inclusion of ~10 hours of storage to a solar PV and/or wind deployment roughly doubles the cost of that system. Note: given the recent large investment in battery technology, storage costs have been falling at a rate of ~15%/year the past few years.
- I hope the Board and Utilities Department will address the following concerns to help Los Alamos residents and Council make informed decisions:
 - Quantify the economic ramification of building solar and wind and not providing storage. In other words, "using the grid" to avoid buying storage.
 - Make sure that the decision on the SMR is a choice among options rather than an isolated decision on the SMR?
 - From listening to discussions in past Board of Public Utility meetings, I perceived a desire to obtain renewable energy from within the county boundaries. Is this accurate? If so, I would suggest it is counterproductive and surprising. Surprising because we have been willing to obtain our coal power from the 4 Corners Region and Wyoming, and our potential nuclear from Idaho; counterproductive because solar and wind benefit from (1) large deployments, (2) optimal location selection and (3) deployment on inexpensive land.
- Final comments:
 - Energy markets are in transition, "the rules of the game today are unlikely to be the rules of the game in 10 years." Yet, the county needs to make long ranging decisions in the midst of this uncertainty.
 - A vision of where the low-cost path is likely to be would greatly help at this moment. I would like to call your attention to research performed by NOAA researchers in Boulder which indicates that an 80% non-carbon path is possible using current technology without increasing the cost of electricity [MacDonald, A. *et al.*, "Future cost-competitive electricity systems and their impact on US CO₂ emission," *Nature Climate Change*, January 2016. A 3-minute summary: <https://www.youtube.com/watch?v=sAiOSsPzCow>].

A high voltage direct current grid connecting all regions of the USA is central to the low-cost scenario outlined by NOAA researchers.

- After a career working in the nuclear profession, I am apprehensive regarding the county investing in the SMR. My expectation is that the SMR project will be behind schedule and over budget. The maturity of the technology is such that DOE should be 100% funding development at this time.
- From the most recent New Mexico elections, several candidates (Governor, Land Commissioner, etc.) running on platforms of advancing renewable energy development won positions.

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

**Utility Manager's Report
January 16, 2019**

1. I am meeting tomorrow (1/17) with NNSA to discuss options for a successor to the current ECA.
2. I am also meeting tomorrow with NNSA to begin discussions on opening negotiations for the new water sales contract and water rights lease renewal.
3. Today was the first meeting with our contractor who is performing the 5-year management audit.
4. The DPU new employee orientation is scheduled for next week Thursday, (1/23). The three new county councilors have all been invited to attend.
5. We will be holding a tabletop emergency exercise on 1/24. The scenario is a prolonged widespread power outage.
6. Work at Otowi Well No. 2 recommenced on 1/13 with reaming operations. All of the well screen and most of the gravel pack has been delivered to the site. The current schedule calls for reaming to be completed by 1/26 with final test pumping completed by 3/13. The New Mexico Office of Medical Investigations completed their investigation into the fatality at the well site earlier this month. While we have not received copy of the report, NMOSHA called off their investigation, leading us to believe that the death was most likely of natural causes.
7. I will be out of the office the last week of January (1/28 – 2/1) attending the annual conference of the New Mexico Water and Wastewater Association and obtaining continuing education credits toward my Operator licenses.
8. Several promotions and job changes have occurred in the DPU over the past month. Three GWS Division employees were promoted: Stephen Abeyta was promoted from Senior Pipefitter to GWS Field Supervisor, Rick Herrera was promoted from Senior Water Operator to Water Production Supervisor and Joshua Silva was promoted from Senior Wastewater Operator to Wastewater Treatment Plant Supervisor. The Electric Distribution Division was assigned to Steve Cummins, in addition to his existing duties as Electric Production division manager and Steven Marez was assigned to supervise the Electric Lineman Supervisors.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 1/16/2019

Last month's activities include:

- Presentation on options for at-home composting systems
- Discussion of new initiative by the Zero Waste Team to reduce food waste in LAC
- Discussion of the ESB Work Plan for FY20
- Election of Chair and Vice Chair, and approval of the 2019 meeting schedule

Tomorrow night's ESB meeting will include:

- An awards ceremony for the winners of the 2018 October EcoChallenge
- A presentation on food waste composting at Reunity Resources in Santa Fe
- Presentation on Identification of Regional Composting Facility Sites and Costs
- Discussion of the ESB Work Plan for FY20

Other items to note:

- We have four candidates to fill the vacancy left by James Robinson's departure. If any of you sent anyone our way for this position, thank you very much!



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Carrie Walker, Chair; Jeff Johnson, Vice-chair; Paul Frederickson, Stephen McLin and
Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison*

Tuesday, January 22, 2019

11:00 AM

1000 Central Avenue
Council Chambers

SPECIAL SESSION

1. CALL TO ORDER

A special meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Tuesday, January 22nd, 2019 at 11:00 a.m. at 1000 Central Ave., Council Chambers. Board Chair Carrie Walker called the meeting to order at 11:05 a.m.

Present 6 - Board Member Walker, Board Member Johnson, Board Member Frederickson, Board Member McLin, Board Member Taylor and Board Member Glasco

Absent 1 - Board Member Burgess

Mr. Frederickson joined the meeting at 11:07 a.m.

2. PUBLIC COMMENT

Ms. Walker opened the floor for public comment on items not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

Mr. McLin moved that the agenda be approved as presented. The motion passed by the following vote:

Yes: 4 - Board Member Walker, Board Member Johnson, Board Member McLin and Board Member Taylor

Absent: 1 - Board Member Frederickson

4. BOARD BUSINESS

4.G. General Board Business

4.G.1 [11559-19](#) Continue Board of Public Utilities Self-evaluation

Presenters: Board of Public Utilities

The Board began its annual self-evaluation at the December 19th, 2018 meeting. Action items were noted in the minutes of that meeting. At this special meeting, the Board focused on any items that were identified for further discussion and gave the Utilities Manager an opportunity to provide input.

If no action was identified, the question is not listed below. Of the questions discussed again at this meeting, the following had possible actions identified:

1) QUESTION I.G. - Does the Board receive sufficient information to make good decisions?

QUESTION I.H - Are decisions made in a timely manner?

ACTION - Mr. Glasco discussed the timing challenges staff frequently encounter when trying to provide the Board with sufficient time and information to make decisions. He also discussed the increased involvement of the Attorney's Office in Utilities issues and how this has considerably slowed the process of how and when information is presented to the Board. Councilor Sheehey noted that while it is important to Council that the Attorney's Office is conversant in legal issues related to Utilities, delays should be minimized. It was suggested that this could be an issue for the joint Board/Council subcommittee to discuss.

2) QUESTION II.B.2 - Do Board members understand the difference between their policy role and management's administrative role?

ACTION - The Board discussed the ongoing issue of the language in Chapter 40 of the County Code of Ordinances related to Board policies, rules and regulations being unclear and how it sometimes causes confusion between Council and the Board. It was suggested that this could be an issue for the joint Board/Council subcommittee to discuss.

3) QUESTION II.D.2 - Are there systems for corrective action where performance is below standard or reward when performance is above standard?

ACTION - It was determined that there are, in fact, several effective mechanisms in place for the Board to review the performance of systems and take corrective action. The Board should continue with these practices. They include regular system updates, being involved in strategic planning and conducting Utilities Manager's performance appraisals. With regards to rewarding personnel for above standard performance, that falls more under the purview of the Utilities Manager, but the Board and Council will continue to approve or not approve raises as they think appropriate through the approval of budgets.

4) QUESTION II.D.3 - Are organizational goal setting and achievements taken into account during the DPU Manager's evaluation?

ACTION - It was noted that the evaluations are conducted in a way that is high-level and flexible enough to change if necessary. If the Utilities Manager is doing well overall at achieving organizational goals, then an assessment of leadership across broad goals may be appropriate. However, if the Board identifies specific issues needing to be addressed, the evaluation could be changed to be more detailed.

5) QUESTION II.E.3 - Does the Board seek input and involve its stakeholders in policy considerations and decisions.

ACTION - A member felt that the public meetings on specific important topics are a very effective way to get good feedback. He suggested that having multiple public meetings over time on the same topic is even better because it can sometimes take a lot of lead time for the public to sense that there is an issue, digest it and respond. It was also recommended that the Department continue to use the County's online Open Forum tool to receive higher quality discussions and constructive input when compared to input received through other forms of social media.

6) QUESTION III.D.9 - Does the Board provide overall human resources direction to the DPU Manager without becoming involved in specific personnel matters?

ACTION - The words "human resources" will be changed to "staffing" in this question so that it more accurately reflects the Board's role.

7) QUESTION III.F.1 - Do Board members participate in educational opportunities recommended and offered by the DPU or other entities that enhance their effectiveness as a Board member?

ACTION - The Board decided not to impose any sort of minimum training requirement on new members. However, if there is training or travel that would be beneficial, staff was asked to extend an invitation to notify both the Board and Council. For new members, facility tours and various utility organization webinars were recommended. It was suggested that perhaps a subcommittee of members could meet to put together a list of possible training opportunities for new members. Ms. Taylor expressed interest in touring the dispatch center and learning more about the Department's cybersecurity.

5. PUBLIC COMMENT

Ms. Walker opened the floor for public comment on any topic. There were no comments.

6. ADJOURNMENT

The meeting adjourned at 12:16 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.B
Index (Council Goals):
Presenters: Bob Westervelt
Legislative File: 11635-19

Title

Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2018.

Recommended Action

I move that the Board of Public Utilities approve the transfer of revenues from the electric and gas funds to the general fund for electric and gas operations during fiscal year 2018 in accordance with Incorporated County of Los Alamos Resolution 97-07 and forward to the County Council for their approval.

Staff Recommendation

The Utilities Department staff recommends approval of the fiscal year 2018 profit transfers as presented.

Body

In 1997, to establish a methodology for determining operating profits to be transferred to the County general fund, the Board of Public Utilities and the County Council agreed, through a resolution, to transfer from the electric fund and the gas fund an amount equal to 5% of retail sales to customers other than Los Alamos Public Schools and Los Alamos County. Transfer amounts are to be computed after completion of the County's annual financial audit and the transfers are to include interest from the last day of the fiscal year to the date of transfer. Accordingly the transfer for each year's activity is reflected in the following year's budget.

Profit transfers computed for fiscal year 2018 retail sales are \$567,249.46 and \$194,513.03 for the electric and gas utilities, respectively. A computation worksheet is attached. The budgeted amounts were \$610,735 for the electric fund and \$254,125 for the gas fund.

Alternatives

The transfers have been accomplished. If the Board and Council do not approve the profit transfers, the funds will revert to the Department of Public Utilities electric and gas funds.

Fiscal and Staff Impact

For FY2018 sales \$567,249.46 plus interest from the electric fund to the general fund and \$194,513.03 plus interest from the gas fund to the general fund.

Attachments

A - Incorporated County of Los Alamos Resolution No. 97-07

B - Utilities Profit Transfer Schedule - FY2019

C - Utilities Transfers To General Fund Ten Year History FY2009 through FY2018

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 97-07

**A RESOLUTION ESTABLISHING A METHODOLOGY FOR
COMPUTING ELECTRIC AND GAS OPERATING PROFITS
FOR TRANSFER TO THE COUNTY GENERAL FUND**

WHEREAS, the Atomic Energy Commission transferred the utilities to Los Alamos County for the purpose of aiding self-sufficiency; and

WHEREAS, this resolution supersedes Resolution No. 93-05; and

WHEREAS, the Los Alamos Board of Public Utilities and the Los Alamos County Council wish to establish a methodology for determining operating profits which are transferred to the General Fund; and

NOW, THEREFORE, BE IT RESOLVED by the Incorporated County of Los Alamos to:

1. Establish goals to
 - a) Achieve annual operating profits for transfer to the General Fund of 5% of total electric and gas utility retail revenues excluding commodity sales to the schools and County.
 - b) Adopt a delayed appropriation approach for the General Fund transfer so that:

Fiscal year 1 - budget and rates set and profit is earned,
Fiscal year 2 - audit completion, profit transfer from FY1 gas and electric retail revenue excluding commodity sales to the schools and County to the General Fund (to include interest from July 1, FY2),
Fiscal year 3 - profit available for appropriation with interest.
2. The Board of Public Utilities shall propose and the Council shall approve a budget and rates which provide for all of the following:
 - First: funds required for current operations and funds for adequate working capital.
 - Second: funds required to redeem and pay interest on any bond issue.
 - Third: an adequate reserve to finance replacements required by normal depreciation of the utility plant or equipment as provided in the Schedule of Funds.

Fourth: amounts set forth in the budget as payments to be made to the County in lieu of franchise fees and taxes that normally would be assessed against privately owned gas and electric utilities.

Fifth: adequate provision for plant additions and improvements foreseen as necessary to meet future requirements.

Sixth: adequate provision for a separate gas and electric rate reserve.

Seventh: 5% of total electric and gas utility retail revenues excluding commodity sales to the schools and County.

3. All funds received in excess of those distributed in paragraph 2 above will be transferred to the general fund. Funds budgeted for specific utilities replacements and additions in a given fiscal year but not encumbered in that fiscal year shall be carried forward to the following fiscal year.

4. Council and Board will actively pursue modification to the existing agreement with the DOE to make the Electric Resource Power Pool arrangement equitable for the ratepayers, and produce an operating profit for the County for the risk associated with the operation of the Electric Resource Power Pool.

PASSED, ADOPTED, SIGNED AND APPROVED this 29th day of July, 1997.

COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS, NEW MEXICO


DENISE SMITH, COUNCIL CHAIR



ATTEST: (SEAL)


NITA K. TAYLOR, COUNTY CLERK

INC COUNTY OF LOS ALAMOS
Utilities Profit Transfer Schedule
Fiscal Year 2019

Electric Distribution Fund 512

		FY 2018	
		Audited Sales	
Revenue Object			
4301	Residential metered	6,798,895.04	
4305	Private area lighting	13,804.93	
4311	Commercial metered	4,532,289.16	
4314	Industrial sales	-	
			11,344,989.13
			0.05
			<u>567,249.46</u>

Gas Fund 531

		FY 2018	
		Audited Sales	
4301	Residential metered	3,304,943.82	
4311	Commercial metered	585,316.73	
			3,890,260.55
			0.05
			<u>194,513.03</u>
	Total		<u><u>761,762.48</u></u>

INCORPORATED COUNTY OF LOS ALAMOS
JOINT UTILITY SYSTEM PROFIT TRANSFER AND IN LIEU PAYMENTS
TO THE GENERAL FUND

Table 26

LAST TEN FISCAL YEARS

Fiscal Year	FRANCHISE FEES [a]		IN LIEU TAX [b]			PROFIT TRANSFER [c]		TOTAL JOINT UTILITY SYSTEM
	ELECTRIC DISTRIBUTION	GAS	ELECTRIC PRODUCTION	ELECTRIC DISTRIBUTION	GAS	ELECTRIC	GAS	
2009	210,931	164,301	219	141,275	31,142	442,643	402,342	1,392,853
2010	221,476	157,979	902	200,748	54,811	437,711	374,584	1,448,211
2011	225,931	123,703	747	174,095	47,631	466,858	361,617	1,400,582
2012	235,444	108,900	2,474	181,565	49,922	457,600	282,776	1,318,681
2013	233,512	109,421	4,533	175,552	61,835	486,879	250,684	1,322,416
2014	231,282	128,916	13,924	189,561	68,787	478,324	253,562	1,364,356
2015	247,143	107,219	17,208	206,136	77,004	484,485	297,390	1,436,585
2016	279,200	97,940	100,338 [d]	231,536	81,666	524,540	246,867	1,562,087
2017	251,845	107,486	70,055	297,050	97,875	594,681	226,475	1,645,467
2018	241,046	80,107	63,146	248,680	103,080	574,246	207,175	1,517,480
Sources: County financial records								

Sources: County financial records

Notes:

- [a] Franchise Fees are 2% of all Electric Distribution and Gas revenue from all rate classes.
[b] In Lieu of Property Tax is the net book value of Electric and Gas fixed assets divided by three, times the Los Alamos County property tax rate.
In Lieu excludes San Juan, El Vado and Abiquiu assets located outside Los Alamos County.
[c] Profit Transfer is 5% of Electric Distribution and Gas retail revenues excluding sales to schools and the County.
[d] Began paying in lieu tax for solar assets



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.C
Index (Council Goals): BCC - N/A
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: 11556-19

Title

Approval of Amendment No. 2 to Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, for the Purpose of Los Alamos Canyon Road Stabilization Project.

Recommended Action

I move that the Board of Public Utilities approve Amendment 2 to Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, in the amount of \$28,489.56 and a contingency in the amount of \$12,567.16, for a total of \$41,056.72, plus applicable gross receipts tax, for the purpose of the Los Alamos Canyon Road Stabilization Project.

Staff Recommendation

Staff recommends the task order be approved as presented.

Body

Los Alamos County has been granted \$120,000.00 through the FEMA mitigation program to perform Phase I: design and environmental assessment for the Los Alamos Canyon Road Stabilization Project. The grant agreement was executed on July 7, 2017. This project will construct gabion structures on the stream side of the road to protect the road from floodwaters. In addition, debris and downed trees that are obstructing the natural path of the canyon stream will be removed to restore the stream to its original course, away from the road in many areas. Santa Fe Engineering Consultants, LLC is providing the design and preparation of the environmental assessment through an ongoing on-call engineering services contract with Los Alamos County.

Amendment #2 will extend the task order term to May 15, 2020 and increase the task order amount by \$28,489.56. Both the time extension and budget increase is required due to amount of rework/modifications to the design and environmental documents mandated by FEMA, the New Mexico Department of Homeland Security and Emergency Management and third party reviews performed by agency contractors. The schedule and rework effort has been exacerbated due to staff changes and the recent government shutdown. We are seeking approval of a contingency of \$12,567.16, which will allow spending authority up to the grant amount of \$120,000.00. The contingency will be used, if required, for unforeseen efforts that may arise due to the various agency's administrative requirements.

Alternatives

If the task order amendment is not approved the environmental approval of the project cannot be

achieved and the construction grant will be lost.

Fiscal and Staff Impact

Amendment 2 will increase the task order amount to \$107,432.84, including NMGR. As a condition of the grant Los Alamos County must match 25% of the cost. Budget revision 2017-24 was approved in May 2018 for the County's \$30,000 match, of which the DPU and general fund will split 50% each. Award of phase II for construction funds, up to \$1,630,000 will be made at a later date via an amendment to this agreement when the environmental assessment is approved.

Attachments

A - Amendment No. 2 to Task Order No. 2 to AGR17-16b

AGR 17-16b
Santa Fe Engineering Consultants
Vendor Number: 27998
On-Call Engineering Services

Task Order No.: Two (2) - Amendment No. 2

Project Title: Los Alamos Canyon Road Rehabilitation Project

Job Cost #: FE10-11

Project Manager Assigned: James Alarid, Deputy Utility Manager - Engineering

Phone: 505- 663-3420

Contract Administrator: James Alarid

Department: Los Alamos County Department of Utilities

Vendor Contact: Michael Gomez, P.E. Santa Fe Engineering Consultants, LLC

Location of Work: Los Alamos Canyon Road

Scope of Work: Per Exhibit A (Pages 1 – 2) Engineer will provide:

1. Additional services to meet the FEMA requirements not in original scope per Exhibit A.
2. Completion of work for all items included in original Task Order 2 extended to May 15, 2020.

Start Work Date: March 12, 2018

Completion of Work Date: May 15, 2020

Attachments: Exhibit A - Letter of Transmittal from Santa Fe Engineering Consultants, LLC to Clay Moseley dated December 3, 2018.

Estimated Total Cost: (not to exceed amount):

Task Order:	\$61,300.00
Amendment No. 1	\$ 9,283.95
Amendment No. 2	\$28,489.56
NMGRT at 8.4375%	\$ 8,359.33
Total Estimated Cost:	\$107,432.84

SIGNATURE PAGE

NAME	Date
Timothy Glasco, Utilities Manager	

NAME	Date
Michael Gomez, P.E. Santa Fe Engineering Consultants, LLC	

Santa Fe Engineering Consultants, LLC



Civil and Traffic Engineering
Construction Management
Land Development

1599 St Francis Drive, Suite B
Santa Fe, N. M. 87505
(505) 982-2845 Fax (505) 982-2641

December 3, 2018

Mr. Clay Moseley, Engineering Project Manger
Los Alamos Public Works Department
1000 Central Ave, Suite 130
Los Alamos, NM 87544

**RE: LOS ALAMOS COUNTY CANYON RESERVOIR ROAD STABILIZATION
PROJECT NO FE-10/FEMA-4199 – PROPOSAL FOR ADDITIONAL
ENGINEERING SERVICES INCLUDING: DESIGN, PROJECT MANAGEMENT,
ENVIRONMENTAL SERVICES, AND STRUCTURAL ENGINEERING.**

Dear Mr. Moseley:

As per your request, we have prepared a cost proposal for additional engineering services for the above referenced project.

For this proposal we have separated the work into the four (4) following tasks:

1. Provide additional coordination with Environmental subconsultant, USFS and FEMA. Several revisions of the EA, BA, and Archaeological survey.
2. Provide additional Environmental Services to include USFS species.
3. Analyze the coordinate systems and datums for the existing topography mapping from several separate surveys. Combine the various sources of topographic mapping for design.
4. Provide structural engineering design for the concrete structure section at Site No. 2

The man-hour summary by phase are presented in the attached Table 1. If you have any questions, or desire additional information, please do not hesitate to contact me. I am available at any time to meet or to make adjustments.

TABLE 1 FEE BREAKDOWN SUMMARY ENGINEERING SERVICES FOR LOS ALAMOS COUNTY CANYON ROAD RESERVOIR RD STABILIZATION PROJECT NO. FE-10/FEMA-4199*		
Phase III	Final Design	Fee
	Engineering Design & Coordination	\$21,745.56
	Subconsultants	
	Environmental / Biological – Ecosphere	\$6,744.00
	Subtotal	\$28,489.56
Phase IV	Bidding & Negotiation Phase Services	TBD
Phase V	Construction Phase Services	TBD
	Total exclusive NMGRT	\$28,489.56

*See attached detailed manhour estimate

Sincerely,

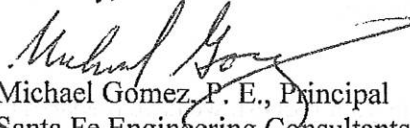

Michael Gomez, P. E., Principal
Santa Fe Engineering Consultants, LLC.

TABLE 2

SANTA FE ENGINEERING CONSULTANTS
LOS ALAMOS COUNTY CANYON RESERVOIR ROAD STABILIZATION PROJECT
MAN HOUR AND COST ESTIMATE

	ENGINEER III	ENGINEER II	QA ENGINEER	PROJECT MANAGER	ENG. TECH	CADD DRAFTER	PROJECT ASSISTANT	SPEC COST BY TASK
PHASE III								
	\$152.63	\$121.08	\$121.08	\$95.58	\$82.84	\$63.73	\$66.91	
HOURLY RATES BY PERSONNEL								
FINAL DESIGN - 90%								
ANALYZE TOPOGRAPHIC MAPPING FROM VARIOUS SOURCES	8	0	0	2	0	1	0	\$1,475.93
COMBINE TOPOGRAPHIC MAPS FOR DESIGN	8	2	0	0	16	10	1	\$3,492.85
ADDITIONAL MEETINGS WITH FEMA, NMSD, USFS, MEETING WITH NMDOT	4	4	0	4	0	0	4	\$1,744.80
PREPARE MEETING MATERIALS AND MEETING MINUTES	0	0	0	0	0	0	4	\$267.64
ADDITIONAL BA COORDINATION AND REVIEWS	4	0	0	2	0	0	0	\$801.68
SURVEY COORDINATION, VERIFICATION, AND REVIEW	0	4	0	2	4	0	0	\$1,006.84
ADDITIONAL DESIGN WORK PER USAGE	8	2	0	0	16	4	0	\$3,043.56
RETAINING WALL DESIGN AND CONCRETE STRUCTURE SECTION AT SITE NO. 2	12	8	0	2	8	12	0	\$4,418.84
PREPARE 95% DESIGN SUBMITTAL	0	0	0	0	0	0	0	\$0.00
PREPARE 95% COST ESTIMATES & QUANTITIES	1	4	0	6	4	2	4	\$1,936.89
PREPARE TECHNICAL SPECIFICATIONS AND ADDITIONAL ENVIRONMENTAL NOTES	4	4	0	2	0	0	1	\$1,352.91
QUALITY ASSURANCE / QUALITY REVIEW	0	0	4	0	0	0	0	\$484.32
COUNTY REVIEW	0	0	0	0	0	0	0	\$0.00
DESIGN TEAM REVIEW MEETING	3	3	0	3	0	0	0	\$1,107.87
PREPARE MEETING MATERIALS AND MEETING MINUTES	0	0	0	0	0	0	2	\$133.82
STAMP & SUBMIT 100% ROADWAY & DRAINAGE PACKAGE	1	0	0	2	0	0	2	\$477.61
TOTAL	53	31	4	25	48	29	18	\$21,745.56
SUBTOTAL PHASE III								
\$21,745.56								
CONSULTANTS								
ENVIRONMENTAL SUBCONSULTANT								
SUBCONSULTANT TOTAL								
\$6,744.00								
\$6,744.00								
SUBTOTAL FINAL DESIGN								
\$28,489.56								
PHASE IV-BIDDING & NEGOTIATION SERVICES TBD								
PHASE V-ENGINEERING DURING CONSTRUCTION TBD								
TOTAL FINAL DESIGN NOT INCLUDING NMGR								
\$28,489.56								



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.A
Index (Council Goals): BCC - N/A
Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File: 11419-18

Title

Department of Public Utilities FY2020 Budget Presentation

Recommended Action

None - discussion item only. Budget will be presented in March for approval.

Staff Recommendation

None - discussion item only. Budget will be presented in March for approval.

Body

Attached is the proposed budget for FY2020. Last year was a two-year budget cycle in which the then current year (FY19) actual budget and a projection for the subsequent year (FY20) was presented. This year that second-year budget is updated and considered for approval.

The FY20 expenditure budget overall as presented is lower than the projection last year, due primarily to the postponement of construction of the White Rock Treatment Plant until 2021, offset somewhat by the addition of budget authority for the Gas and Water portions of the AMI project, and additional projects scheduled in the water production budget, which will be discussed below.

Comparing to the final FY19 approved budget, the proposed FY20 budget represents a 2.1 percent increase, again, due primarily to the addition of the Gas and Water portions of the AMI project and the water production projects mentioned above and discussed in more detail in the water section below.

Changes in each Utility sub fund are discussed below.

Note: this is a preliminary draft. Some inputs are still being finalized and some numbers are likely to change between now and final presentation to the Board for approval in March. Interdepartmental charges (IDC's), for example, have not been finalized by the Office of Management and Budget, so will need to be updated in the final budget presented for adoption. All changes will be noted when the Board considers the final budget for adoption in March.

Staffing changes

There are no additional FTEs proposed in this budget. The limited term FTE previously shown in the Admin budget was in support of the County ERP project and was funded by that project, but with the conclusion of that project is no longer budgeted. In anticipation of the retirement of a

Hydro Plant Maintenance Technician, an existing FTE was used to double fill that position in FY19. That retirement has occurred, freeing up that FTE. At least for the coming budget period, we are utilizing that FTE to provide some redundancy and support in Admin while we catch up and adopt new procedures in the new ERP. It is planned for that individual to be able to assume the duties to cover for an anticipated retirement in the Customer Care section in Admin in the coming year, at which time that FTE will be used to fill an identified need for a second GIS technician.

There are no realignments contemplated nor are there any Union agreements scheduled for renewal.

Budget Highlights

Per County Budget Office guidance, salaries were budgeted “flat” except for the increments included in the existing Union agreements. The General County will propose an “add in” budget item for a county wide increase. If approved by Council, the Utilities budget would be adjusted, and Utilities staff included in that proposal. The ten-year capital plan is included in the agenda packet. The more detailed descriptions of the projects planned for FY20 were not available for publication with this agenda package but should be available for distribution at the meeting.

Interdepartmental charges from the County (IDCs) have not been finalized for FY20, so are showing as “flat” compared with FY19 in this presentation.

Department admin costs decreased by \$38k, or 0.8% in FY20 from the FY19 budget. The planned reconfiguration of the Customer Care Center, budgeted at \$250k in FY18 plus \$100k in FY19, has been cancelled while uncertainties regarding County tax revenues are resolved. The project will be re-budgeted at a future date if deemed prudent at the time. The \$100k reduction from FY19 is offset somewhat by the additional staff position discussed above. Allocation of Admin costs are included in each utility's O&M, so will not be discussed separately below.

There are several projects included in the FY20 budget presented here that it is anticipated will be initiated in FY19, and FY19 budget adjustments may be necessary to contract those projects. They are budgeted here to ensure the effect on fund balances are included in this budget presentation, as they are not shown in the “revised FY19 budget” column yet. When these projects are brought forward for approval, any required budget adjustments will note and acknowledge if that funding was provided for in the FY20 budget. These projects include the engineering for the White Rock Treatment Plant, the new engine for Pajarito Well #4, the well house and equipment for the new Otowi Well #2, and the water and gas portions of the AMI project.

Electric Distribution

No rate increases are projected in FY19 for electric distribution. The ten-year O&M budget forecast includes essentially inflationary increases of 1.5% per year after FY19. Overall operating expenses in ED are lower by \$1.275M, due primarily to lower cost of power, which will be discussed further in the Electric Production section below. Projects in Electric Distribution

consist of routine overhead and underground replacements as needed.

Electric Production

The O&M budget for Electric Production is \$900k lower than FY19, due primarily to continuing low purchased power costs. LANL's load forecast is higher by 86,483 Mwh, but is covered primarily by purchased power, which projections continue to indicate will come in fairly low, at around \$32/Mwh. In additional projected costs at both San Juan and Laramie River are lower. San Juan had a scheduled outage in FY19 which is not repeated in FY20, and Laramie River environmental upgrades completed in FY19 are also not repeated. As in FY19, there is \$250k included for LAC's share of the COLA preparation for the Carbon Free Power Project, to establish budget authority should the County decide to continue participation in this phase of the project.

Gas

The NMMEAA deal guarantees a \$0.274 discount, which is included in the budget for FY2020. Natural gas market prices remain low, and gas purchases are budgeted at \$2.78/MMBTU in FY20 (after the NMMEAA discount). The gas portion of the AMI project is included in this budget at \$2,102,907. There are no other major O&M or project initiatives scheduled for this budget period.

Water Production and Distribution

The capital plan for Water Production, as has been the practice for several years, includes non-potable projects that are funded through a grant/loan from the Water Trust Board (WTB). These projects will only occur if the WTB funding is realized. The capital plan also includes \$1.9M for the Otowi Well #2 well house, pump, and equipment, \$750k for a chlorination building and pipe replacement at NM4 and Tsankawi, and \$800k to replace the failed gas engine at Pajarito Well #4. Like the well drilled in FY19, these projects are funded with existing fund balance. In addition, the water portion of the AMI project is included in the Water Distribution budget at \$1,694,378.

The O&M and capital budget for water production and distribution has been revised extensively to reflect the proposed 20-year plan presented to the Board at the November 2017 BPU meeting. Water sales appear to have stabilized more in line with the revised sales projections we adopted in FY18's budget cycle. In accordance with the long-range plan, an 8% increase in retail potable rates is budgeted in FY20. As shown in the ten-year plan, additional modest rate increases are projected through 2024, then essentially inflationary increases thereafter.

Wastewater Division

Several initiatives have been implemented to alleviate the financial challenges in the wastewater division associated with the need to construct a replacement treatment facility in White Rock. Debt service has been adjusted for the refinance of the Los Alamos Treatment Plant loan. Long range projections include financing costs for the White Rock plant, but those do not start until one

year after the new plant is placed in service, so are scheduled for FY22.

All other projects in both the treatment plants and the collection system have been postponed allowing staff and funding to be concentrated on a successful White Rock plant project. Other projects are scheduled to resume in the out years on the 10-year plan.

The financial position of the wastewater fund and several long-term scenarios were discussed with the Board in previous meetings. With the financing initiatives described and the judicious postponement of other large capital projects, the rate trajectory presented in the alternative selected by the Board for implementation appears adequate. As shown on the 10-year plan, this includes an 6.25% increase in FY20, 5% in FY21, and ratcheting downward to essentially inflationary increases by 2026.

Alternatives

N/A

Fiscal and Staff Impact

See above

Attachments

- A. FY2020 Fund Flows
- B. Ten Year Forecast - FY2020 through FY2029
- C. Ten Year Capital Plan

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary Of Expenditure Budget

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 JUL-DEC	FY 2020 Proposed
Electric Production	35,092,654	39,108,336	40,661,012	21,334,542	38,155,597
Electric Distribution	12,957,522	14,284,001	15,687,501	7,343,534	12,918,094
Less Interdivision Electric Sales	(5,865,876)	(7,381,676)	(7,381,676)	(4,008,669)	(6,104,839)
Total Electric Fund	\$ 42,184,300	\$ 46,010,661	\$ 48,966,836	\$ 24,669,406	\$ 44,968,852
Gas	\$ 3,876,097	\$ 4,556,908	\$ 4,610,811	\$ 2,045,370	\$ 7,129,127
Water Production	5,436,210	6,616,951	8,062,355	3,070,315	9,644,729
Water Distribution	4,880,407	5,185,937	5,371,875	2,439,674	6,921,936
Less Interdivision Water Sales	(3,218,051)	(2,829,409)	(2,829,409)	(1,678,443)	(2,985,026)
Total Water Fund	\$ 7,098,566	\$ 8,973,480	\$ 10,604,821	\$ 3,831,547	\$ 13,581,640
Wastewater	\$ 6,801,910	\$ 6,015,412	\$ 6,148,974	\$ 1,769,234	\$ 5,077,995
Total Expenditure Budget	\$ 59,960,873	\$ 65,556,460	\$ 70,331,442	\$ 32,315,557	\$ 70,757,614

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **ELECTRIC PRODUCTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
Mwh Sales - LANL	479,568	510,377	510,377	596,860
Mwh Sales - LAC Distribution	113,412	121,969	121,969	121,140
Total Mwh Sales	592,980	632,346	632,346	718,000
Revenue per Mwh	\$ 52.91	\$ 56.66	\$ 56.66	\$ 48.03
DOE Revenues	\$ 25,509,803	\$ 28,446,452	\$ 28,446,452	\$ 28,377,601
Economy Sales	3,623,267	3,150,033	3,150,033	3,525,627
Interest on Reserves	93,348	96,191	96,191	130,000
Bond Federal Subsidy	31,741	33,984	33,984	33,984
TOTAL REVENUE	\$ 29,258,159	\$ 31,726,660	\$ 31,726,660	\$ 32,067,212
OPERATING EXPENSES				
El Vado Generation	\$ 317,501	\$ 476,807	\$ 566,306	\$ 396,143
Abiquiu Generation	271,548	483,551	689,051	414,240
Contract Administration	41,200	17,997	17,997	17,418
Load Control	1,610,991	1,601,620	2,033,997	1,682,214
Transmission - PNM	2,127,794	2,899,531	2,899,531	2,459,272
Transmission - Other	1,788,592	1,983,778	1,983,778	2,213,017
Purchased Power	11,026,488	12,669,418	12,669,418	13,288,007
Photovoltaic Array	25,017	30,000	110,867	30,000
Debt Service	2,505,680	2,774,417	2,774,417	2,776,773
Property Taxes	417,942	449,087	449,087	449,318
Insurance	83,750	120,000	120,000	120,000
San Juan Operations	9,507,120	11,066,525	11,281,525	10,194,068
Laramie River Operations	3,654,042	2,865,754	2,865,754	2,393,220
SMR Project	132,077	275,595	384,114	316,108
Non-Pool Expenses	53,877	-	115,278	19,871
Interdepartmental Charges	428,889	459,440	459,441	459,440
Administrative Allocation	660,228	629,817	629,817	661,488
TOTAL OPERATING EXPENSES	\$ 34,652,735	\$ 38,803,336	\$ 40,050,378	\$ 37,890,597
OPERATING INCOME (LOSS)	\$ (5,394,576)	\$ (7,076,677)	\$ (8,323,718)	\$ (5,823,385)
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 439,919	\$ 305,000	\$ 610,634	\$ 265,000
OTHER FINANCING Forecast				
Transfer from Distribution Fund	\$ 5,865,876	\$ 7,381,676	\$ 7,381,676	\$ 6,104,839
NET INCOME (LOSS)	\$ 31,381	\$ (0)	\$ (1,552,676)	\$ 16,454
Cash & Investments				
Working Cash	(2,596,643)		\$ (3,966,557)	
Resource Pool Checking				
Operations Reserve	\$ 3,979,702	5,341,127	5,229,632	5,177,978
Contingency Reserve		-		-
Total Unrestricted Cash & Investments	\$ 1,383,060	\$ 5,357,972	\$ 1,263,075	\$ 5,105,917
Restricted				
Bond Reserve & Debt Service	1,839,743	\$ 1,877,533	\$ 1,877,533	\$ 1,877,533
San Juan Decommissioning	5,311,957	\$ 5,288,406	\$ 5,288,406	\$ 5,476,806
San Juan Mine Reclamation	4,380,305	\$ 4,428,776	\$ 4,428,776	\$ 4,469,884
Laramie River Decommissioning	812,946	\$ 818,275	\$ 818,275	\$ 857,275
Bond Construction Fund	1,500,730			
Total Restricted	\$ 13,845,681	\$ 12,412,990	\$ 12,412,990	\$ 12,681,498
Total Cash & Investments	\$ 15,228,741	\$ 17,770,961	\$ 13,676,065	\$ 17,787,415

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **ELECTRIC DISTRIBUTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
kWh Sales	113,411,981	121,939,000	121,939,000	123,371,000
Revenue per kWh	\$ 0.1189	\$ 0.1165	\$ 0.1165	\$ 0.1151
Sales Revenue	\$ 13,486,266	\$ 14,203,145	\$ 14,203,145	\$ 14,203,145
Interest on Utility Reserves	113,159	0	0	0
Bond Federal Subsidy	63,458	67,942	67,942	67,942
Pole Rentals	53,169	53,601	53,601	53,601
Misc. Service Revenues	34,039	50,000	50,000	50,000
Revenue on Recoverable Work	71,892	150,000	150,000	150,000
TOTAL REVENUE	\$ 13,821,983	\$ 14,524,688	\$ 14,524,688	\$ 14,524,688
OPERATING EXPENSES				
Supervision, Misc Direct Admin	627,550	660,479	660,479	540,896
Substation Maintenance	15,886	36,237	41,391	34,433
Switching Station Maintenance	45,295	31,520	31,520	53,724
Overhead Maintenance	446,628	499,014	516,568	531,439
Underground Maintenance	350,565	391,173	416,187	397,182
Meter Maintenance	107,649	82,331	130,300	92,638
Interdepartmental Charges	452,463	649,857	649,857	649,857
Eng. Cust Svc. MR and Admin	615,187	798,595	798,595	845,022
In Lieu Taxes	489,726	529,609	529,609	553,891
Debt Service	1,236,776	1,271,957	1,271,958	1,253,438
Cost of Power	5,865,876	7,381,676	7,381,676	6,104,839
TOTAL OPERATING EXPENSES	\$ 10,253,601	\$ 12,332,449	\$ 12,428,140	\$ 11,057,359
OPERATING INCOME (LOSS)	\$ 3,568,382	\$ 2,192,239	\$ 2,096,548	\$ 3,467,329
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 2,129,675	\$ 1,340,817	\$ 2,648,625	\$ 1,250,000
OTHER FINANCING				
Bond/Grant proceeds	\$ -		0 \$	-
Profit Transfer to General Fund	(574,246)	(610,735)	(610,735)	(610,735)
Sale of Scrap/Obsolete Inventory	9,424			
BUDGETED NET INCOME (LOSS)	\$ 864,461	\$ 240,687	\$ (1,162,813)	\$ 1,606,594
Cash & Investments				
Working Cash	(2,327,495)	(1,477,325)	(2,282,872)	849,151
Capital Replacement Reserve	-	-		-
Operations Reserve	-	739,161	1,887,253	1,849,541
Contingency Reserve	-	-		-
Rate Stabilization Reserve	-	-		-
Total Unrestricted Cash & Investments	\$ (2,327,495)	\$ (738,164)	\$ (395,619)	\$ 2,698,692
Restricted				
Bond Reserve & Debt Service	1,362,329	1,446,546	1,446,546	1,362,329
Bond Construction Fund	3,178,905			
Total Restricted	\$ 4,541,235	\$ 1,446,546	\$ 1,446,546	\$ 1,362,329
Total Cash & Investments	\$ 2,213,740	\$ 2,454,427	\$ 1,050,928	\$ 4,061,022

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **GAS DISTRIBUTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
Therm Sales	7,642,815	7,650,000	7,650,000	7,650,000
Revenue per Therm	\$ 0.5469	\$ 0.7113	\$ 0.7113	\$ 0.7813
Sales Revenue	\$ 4,179,899	\$ 5,441,654	\$ 5,441,654	\$ 5,977,154
Interest on Utility Reserves	164,284	30,496	30,496	30,496
Revenue on Recoverable Work	26,111	20,000	20,000	20,000
TOTAL REVENUE	\$ 4,370,294	\$ 5,492,150	\$ 5,492,150	\$ 6,027,650
OPERATING EXPENSES				
Supervision, Misc Direct Admin	344,428	265,698	269,529	282,780
Customer Service	108,197	63,015	63,015	63,500
Gas Distribution	213,418	270,143	270,143	272,946
Gas Meters	147,661	133,686	133,686	135,396
Gas Capital Project Inspection & Support	-	6,074	6,074	6,208
Interdepartmental Charges	268,449	355,889	355,889	355,889
Eng. Cust Svc. MR and Admin	618,336	658,609	658,609	627,647
In Lieu Taxes	183,187	216,418	216,418	223,722
Cost of Gas	1,932,030	2,333,250	2,333,250	2,754,000
TOTAL OPERATING EXPENSES	\$ 3,815,706	\$ 4,302,782	\$ 4,306,613	\$ 4,722,087
OPERATING INCOME (LOSS)	\$ 554,588	\$ 1,189,368	\$ 1,185,537	\$ 1,305,563
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 60,391	\$ -	\$ 50,073	\$ 2,127,907
OTHER FINANCING				
Profit Transfer to General Fund		(254,125)	(254,125)	(279,133)
Transfer to WW (FY18 budget revision)				
BUDGETED NET INCOME (LOSS)	\$ 494,197	\$ 935,243	\$ 881,339	\$ (1,101,477)
Cash & Investments				
Capital Replacement Reserve	835,733	796,295	796,295	1,464,713
Operations Reserve		984,766	986,682	984,044
Contingency Reserve		253,750	253,750	253,750
Rate Stabilization Reserve				
Working Cash		4,577,813	2,230,940	2,808,642
Total Cash & Investments	\$ 3,386,328	\$ 6,612,625	\$ 4,267,667	\$ 5,511,148

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **WATER DISTRIBUTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
Sales in Thousand of Gallons	781,818	775,000	775,000	775,000
Revenue per thousand gallons	\$ 6.3344	\$ 6.6588	\$ 6.6588	\$ 7.1915
 Sales Revenue	 \$ 4,952,377	 \$ 5,160,579	 \$ 5,160,579	 \$ 5,573,425
Interest on Utility Reserves	(19,907)	-	-	-
Revenue on Recoverable Work	10,920	15,000	15,000	15,000
Misc Service Revenues	19,076	15,000	15,000	15,000
TOTAL REVENUE	\$ 4,962,466	\$ 5,190,579	\$ 5,190,579	\$ 5,603,425
OPERATING EXPENSES				
Supervision, Misc Direct Admin	\$ 237,509	\$ 227,392	\$ 229,558	\$ 241,921
Hydrants	-	-	-	-
Water Distribution	354,482	416,904	509,721	421,366
Water Meters	342,689	693,060	718,135	602,999
Capital Project Inspections & Support	-	6,074	6,074	6,208
Interdepartmental Charges	286,609	344,477	344,477	344,477
Eng. Cust Svc. MR and Admin	428,624	668,621	668,621	625,560
 Cost of Water	 3,218,051	 2,829,409	 2,829,409	 2,985,026
TOTAL OPERATING EXPENSES	\$ 4,867,963	\$ 5,185,937	\$ 5,305,995	\$ 5,227,557
OPERATING INCOME (LOSS)	\$ 94,503	\$ 4,642	\$ (115,416)	\$ 375,868
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 12,444	\$ -	\$ 65,880	\$ 1,694,379
OTHER FINANCING				
Sale of Scrap and Obsolete Inventory	10,460		0	
BUDGETED NET INCOME (LOSS)	\$ 92,519	\$ 4,642	\$ (181,296)	\$ (1,318,511)
Cash & Investments				
Capital Replacement Reserve		\$ -		\$ -
Operations Reserve		-		-
Contingency Reserve		-		-
Working Cash	2,213,740	2,218,382	2,032,444	899,871
Total Cash & Investments	2,213,740	2,218,382	2,032,444	\$ 899,871

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **WATER PRODUCTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
Potable 1000-gallon production	1,056,892	1,150,000	1,150,000	1,150,000
Non-potable 1000-gallon production	106,549	90,400	90,400	90,400
Revenue per 1000 gallons	\$ 3.7981	\$ 3.3840	\$ 3.3840	\$ 3.3840
Potable Sales Revenue	\$ 4,014,225	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500
Repayment of InterUtility Loan	187,569	187,569	187,569	187,569
Interest on Utility Reserves	286,339	79,426	79,426	79,426
Bond Federal Subsidy	25,756	27,576	27,576	27,576
Non Potable Revenue	203,775	175,663	175,663	175,663
TOTAL REVENUE	\$ 4,717,665	\$ 4,667,734	\$ 4,667,734	\$ 4,667,734
OPERATING EXPENSES				
Supervision, Misc Direct Admin	\$ 865,764	\$ 676,041	848,742	\$ 673,964
Pumping Power	484,122	810,500	810,500	821,157
Wells	143,748	129,025	143,294	132,155
Booster Pump Stations	79,755	128,025	128,025	130,755
Treatment	195,155	152,354	152,354	155,563
Storage Tanks	5,755	41,512	41,512	42,378
Transmission Lines	131,737	208,432	222,697	212,811
Capital Project Inspection & Support	-	13,671	13,671	14,093
Non Potable System	242,513	290,169	404,338	273,175
Ski Hill	20,285	67,253	67,253	17,619
Interdepartmental Charges	277,923	326,610	326,610	326,610
Eng. Cust Svc. MR and Admin	589,265	684,926	684,926	686,075
State Water Tax	37,300	45,000	45,000	45,000
Debt Service	232,448	238,433	238,433	258,373
TOTAL OPERATING EXPENSES	\$ 3,305,770	\$ 3,811,951	\$ 4,127,355	\$ 3,789,729
OPERATING INCOME (LOSS)	\$ 1,411,894	\$ 855,782	\$ 540,379	\$ 878,004
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 2,130,439	\$ 2,805,000	\$ 3,935,000	\$ 5,855,000
OTHER FINANCING				
Grants/Loan Proceeds	\$ 360,807	\$ 1,426,250	\$ 1,426,250	\$ 2,192,500
County/External Reimbursement				187,500
Sale of scrap				
BUDGETED NET INCOME (LOSS)	\$ (357,738)	\$ (522,968)	\$ (1,968,371)	\$ (2,596,996)
Cash & Investments				
Working Cash	\$ 10,201,663	\$ 5,247,390	\$ 3,673,763	\$ (3,137,167)
Operations Reserve		\$ 1,751,671	\$ 1,944,461	\$ 1,765,678
Contingency Reserve		\$ 64,566		\$ 375,875
Retirement/Reclamation Reserve		\$ -		\$ -
Capital Replacement Reserve		2,563,880	2,563,880	8,000,000
Total Unrestricted Cash & Investments	\$ 10,201,663	\$ 9,627,508	\$ 8,182,104	\$ 7,004,386
Restricted				
Bond Debt Service & Reserve Fund	\$ 167,907	\$ 219,094	\$ 219,094	\$ 245,220
Total Restricted	\$ 167,907	\$ 219,094	\$ 219,094	\$ 245,220
Total Cash & Investments	\$ 10,369,570	9,846,602	8,401,198	\$ 7,249,606

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **WASTE WATER TREATMENT COLLECTION**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
REVENUE				
Thousand of Gallons Processed	429,129	430,000	430,000	430,000
Sales Revenue	\$ 5,263,954	\$ 5,582,581	\$ 5,582,581	\$ 5,582,581
Interest on Utility Reserves	32,721	35,667	35,667	35,667
Revenue on Recoverable Work	576	-	-	-
TOTAL REVENUE	\$ 5,297,251	\$ 5,618,248	\$ 5,618,248	\$ 5,618,248
OPERATING EXPENSES				
Supervision, Misc Direct Admin	\$ 332,490	\$ 282,862	\$ 284,162	\$ 303,641
Wastewater Collection	422,744	341,104	341,104	344,677
Lift Stations	175,539	139,160	140,996	160,120
Collection Capital Proj Inspection & Support	-	4,074	4,074	4,108
Wastewater Treatment	1,317,816	1,866,805	2,030,340	1,675,759
Interdepartmental Charges	416,582	602,162	602,162	602,162
Eng. Cust Svc. MR and Admin	483,497	812,352	812,352	769,214
Debt Service	3,623,373	966,892	966,892	698,314
TOTAL OPERATING EXPENSES	\$ 6,772,042	\$ 5,015,412	\$ 5,182,082	\$ 4,557,995
OPERATING INCOME (LOSS)	\$ (1,474,791)	\$ 602,835	\$ 436,166	\$ 1,060,252
CAPITAL EXPENDITURES				
Capital Expenditures	\$ 29,868	\$ 1,000,000	\$ 966,892	\$ 520,000
OTHER FINANCING				
Grant/Loan Proceeds				\$ 520,000
Transfer from Gas Dist (FY18 budget revision)	2,500,000			
BUDGETED NET INCOME (LOSS)	\$ 995,341	\$ (397,165)	\$ (530,726)	\$ 1,060,252
Cash & Investments				
Capital Replacement Reserve		\$ 305,668	\$ 305,668	\$ 623,102
Operations Reserve		\$ 1,765,076	\$ 2,107,595	\$ 1,929,840
Contingency Reserve		\$ -	\$ -	\$ -
Working Cash	\$ 218,661	\$ (2,467,909)	\$ (2,943,990)	\$ (1,889,856)
Loan from Gas Division				
Total Unrestricted Cash & Investments		\$ (397,165)	\$ (530,727)	\$ 663,087
Restricted Loan Reserves	\$ 1,682,644	\$ 1,682,644	\$ 1,682,644	\$ 1,682,644
Total Cash & Investments	\$ 1,682,644	1,285,479	1,151,917	2,345,731

Los Alamos County Utilities Department
Fiscal Year 2020 Budgets
Summary of Expenditure Budget -- **ADMIN**

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Proposed
Meter Reading	351,532	339,248	339,248	360,380
Customer Service	575,297	755,756	762,697	576,294
Engineering	1,365,273	1,479,069	1,510,979	1,504,230
Electric Production	141,185	167,788	171,408	155,298
All Except EP	284,410	213,550	218,157	227,563
All Divisions	578,282	174,928	178,702	194,571
Electric Distribution	26,819	88,331	90,237	89,273
Gas Distribution	44,780	187,916	191,970	187,294
Water Distribution	24,084	206,810	211,272	206,126
Wastewater Collection & Treatment	82,387	191,903	196,043	191,752
Water Production	183,325	247,843	253,190	252,353
Administration	459,404	684,819	690,094	634,109
Electric Production	39,819	60,709	61,177	60,649
All Except EP	-	-	-	10,000
All Divisions	419,585	474,110	477,762	413,460
Electric Distribution	-	-	-	-
Water Production	-	150,000	151,155	150,000
Finance	694,059	985,812	1,312,812	1,151,331
Electric Production	25,790	107,436	143,073	156,586
All Except EP	-	58,000	77,239	58,000
All Divisions	668,269	770,376	1,025,914	836,745
Electric Distribution	-	-	-	100,000
Gas Distribution	-	-	-	-
Water Distribution	-	-	-	-
Wastewater Collection & Treatment	-	-	-	-
Management Audit	-	50,000	66,585	-
Public Information	214,260	269,512	269,512	249,958
Electric Production	563	-	-	-
All Except EP	164,961	201,803	201,803	187,899
All Divisions	6,503	-	-	-
Electric Distribution	4,929	26,184	26,184	18,484
Gas Distribution	19,517	15,200	15,200	24,500
Water Distribution	16,909	21,825	21,825	16,275
Wastewater Collection & Treatment	502	2,800	2,800	2,800
Water Production	376	1,700	1,700	-
Total Administrative Division	3,659,825	4,514,216	4,885,342	4,476,302

**LOS ALAMOS DEPARTMENT OF PUBLIC UTILITIES
CASH & INVESTMENT BUDGET**

	FY2018 ACTUAL	FY2019 APPROVED BUDGET	FY2019 1ST YEAR BUDGET	FY2020 PROPOSED BUDGET
EP Cash & Investments - UNRESTRICTED	\$ 1,383,060	\$ 5,357,972	\$ 5,130,572	\$ 5,105,917
EP Cash & Investments - RESTRICTED	\$ 13,845,681	\$ 12,412,990	\$ 12,640,390	\$ 12,681,498
EP Cash & Investments - TOTAL	\$ 15,228,741	\$ 17,770,961	\$ 17,770,962	\$ 17,787,415
ED Cash & Investments - UNRESTRICTED	\$ (2,327,495)	\$ (738,164)	\$ 1,278,308	\$ 2,698,692
ED Cash & Investments - RESTRICTED	\$ 4,541,235	\$ 1,446,546	\$ 1,446,546	\$ 1,362,329
ED Cash & Investments - TOTAL	\$ 2,213,740	\$ 708,382	\$ 2,724,854	\$ 4,061,021
GAS Cash & Investments - UNRESTRICTED	\$ 3,386,328	\$ 6,612,625	\$ 5,002,701	\$ 5,511,148
GAS Cash & Investments - RESTRICTED	\$ -	\$ -	\$ -	\$ -
GAS Cash & Investments - TOTAL	\$ 3,386,328	\$ 6,612,625	\$ 5,002,701	\$ 5,511,148
DW Cash & Investments - UNRESTRICTED	\$ (1,283,904)	\$ 2,218,382	\$ (1,302,845)	\$ 899,871
DW Cash & Investments - RESTRICTED	\$ -	\$ -	\$ -	\$ -
DW Cash & Investments - TOTAL	\$ (1,283,904)	\$ 2,218,382	\$ (1,302,845)	\$ 899,871
WP Cash & Investments - UNRESTRICTED	\$ 10,201,663	\$ 9,627,508	\$ 5,882,472	\$ 7,004,386
WP Cash & Investments - RESTRICTED	\$ 167,907	\$ 219,094	\$ 245,220	\$ 245,220
WP Cash & Investments - TOTAL	\$ 10,369,570	\$ 9,846,602	\$ 6,127,692	\$ 7,249,606
WW Cash & Investments - UNRESTRICTED	\$ 218,661	\$ (397,165)	\$ 3,494,775	\$ 663,087
WW Cash & Investments - RESTRICTED	\$ 1,682,644	\$ 1,682,644	\$ 1,682,644	\$ 1,682,644
WW Cash & Investments - TOTAL	\$ 1,901,305	\$ 1,285,479	\$ 5,177,419	\$ 2,345,731
DPU TOTAL Cash & Investments - UNRESTRICTED	11,578,312	22,681,156	19,485,983	21,883,101
DPU TOTAL Cash & Investments - RESTRICTED	20,237,466	15,761,274	16,014,800	15,971,691
DPU TOTAL Cash & Investments - TOTAL	31,815,779	38,442,431	35,500,783	37,854,792

Los Alamos County Department of Public Utilities
Fiscal Year 2020
Budget Summary by Categories

	FY 2018 Actual	FY 2019 Adopted	FY 2020 Proposed
Expenditures by Fund:			
Electric	42,184,300	46,010,661	44,968,852
Gas	3,876,097	4,556,908	7,129,127
Water	7,098,566	8,973,480	13,581,640
Wastewater	6,801,910	6,015,412	5,077,995
	<u>59,960,873</u>	<u>65,556,460</u>	<u>70,757,614</u>

Expenditures by Type:			
Salaries	5,670,083	7,008,203	6,892,790
Benefits	3,724,387	2,694,862	2,760,604
Contractual Services	31,917,091	37,084,137	36,542,284
Other Services	1,474,996	1,759,329	1,832,044
Materials/Supplies	975,559	1,650,200	1,518,000
Interfund Charges	4,161,242	5,399,420	5,349,963
IDCs	2,696,008	2,829,267	2,813,300
Capital Outlay	137,054	418,700	333,000
Bank Charges	3,225	-	-
Misc. Other Charges	252,122	-	-
Profit Transfer	574,246	864,860	889,868
Debt Service	7,598,277	5,251,698	4,986,899
Capital	4,436,409	5,110,000	11,315,163
Admin. & Gen. Allocation	(3,659,825)	(4,514,216)	(4,476,302)
	<u>59,960,873</u>	<u>65,556,460</u>	<u>70,757,614</u>

FTE Summary:			
Regular (full & part time)	93.00	93.00	93.00
Casual, student & temp.	5.34	4.60	4.60
	<u>98.34</u>	<u>97.60</u>	<u>97.60</u>

FTE by Division:			
Electric Production	12.00	13.00	12.00
Electric Distribution	13.00	13.00	13.00
Gas/Water/Sewer	29.07	28.30	26.63
Water Production	9.25	9.50	9.25
Wastewater Treatment	9.00	9.50	9.13
Administrative & General	26.02	24.30	26.00
	<u>98.34</u>	<u>97.60</u>	<u>96.01</u>

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Electric Distribution

1.50%		BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Expenditure Forecast											
	Supervision, Misc Direct Admin	540,896	549,010	557,245	565,604	574,088	582,699	591,440	600,311	609,316	618,456
	Substation Maintenance	34,433	34,949	35,473	36,005	36,545	37,094	37,650	38,215	38,788	39,370
	Switching Station Maintenance	53,724	54,530	55,347	56,178	57,020	57,876	58,744	59,625	60,519	61,427
	Overhead Maintenance	531,439	539,411	547,502	555,715	564,050	572,511	581,099	589,815	598,662	607,642
	Underground Maintenance	397,182	403,140	409,187	415,325	421,555	427,878	434,296	440,811	447,423	454,134
	Meter Maintenance	92,638	94,027	95,438	96,869	98,322	99,797	101,294	102,813	104,356	105,921
	Interdepartmental Charges	649,857	659,605	669,499	679,542	689,735	700,081	710,582	721,241	732,059	743,040
	Administrative Division Allocation	845,022	857,698	870,563	883,622	896,876	910,329	923,984	937,844	951,911	966,190
	In Lieu Taxes	553,891	411,345	414,308	417,301	420,324	423,378	426,461	429,576	432,722	435,899
	Debt Service	1,253,438	1,253,443	1,133,909	982,377	984,776	1,015,816	1,178,311	1,178,311	1,178,311	1,178,312
	Profit Transfer	610,735	637,141	643,513	649,948	656,447	663,012	669,642	676,338	683,102	689,933
	Cost of Power	6,104,839	6,278,250	5,984,915	6,200,641	5,328,629	5,525,140	5,655,936	5,994,115	6,084,364	6,103,995
	Total Operations Expenses	11,668,094	11,772,549	11,416,899	11,539,126	10,728,368	11,015,609	11,369,438	11,769,014	11,921,532	12,004,318
	Capital	1,250,000	757,500	714,070	721,211	728,423	735,707	743,064	750,495	758,000	765,580
	Total Cash Requirements	12,918,094	12,530,049	12,130,969	12,260,337	11,456,791	11,751,316	12,112,502	12,519,509	12,679,532	12,769,898
Revenue Forecast											
	KWh Sales	123,371,000	124,604,710	125,850,757	127,109,265	128,380,357	129,664,161	130,960,802	132,270,411	133,593,115	134,929,046
	Revenue per KWh	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189	\$0.1189
	Rate Increase Percentage										
	Total Sales Revenue	14,203,145	14,817,237	14,965,410	15,115,064	15,266,214	15,418,876	15,573,065	15,728,796	15,886,084	16,044,945
	Bond Federal Subsidy	67,942	67,942	67,942	67,942	66,045	64,099	58,759	47,731	47,731	47,732
	Interest on Utility Reserves	-	101,526	169,282	252,414	338,131	449,811	560,687	669,028	773,519	880,554
	Pole Rentals	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601
	Misc. Service Revenues	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Revenue on Recoverable Work	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Total Cash Inflow	14,524,688	15,240,306	15,456,235	15,689,020	15,923,991	16,186,388	16,446,113	16,699,155	16,960,935	17,226,831
R&R and Cash Flows											
	Net Cash Flow	1,606,594	2,710,257	3,325,265	3,428,684	4,467,200	4,435,072	4,333,610	4,179,646	4,281,403	4,456,934
	Cumulative Net Cash Flow	1,847,281	4,557,538	7,882,804	11,311,487	15,778,688	20,213,760	24,547,370	28,727,016	33,008,418	37,465,352
	Cash Balance	4,061,021	6,771,279	10,096,544	13,525,228	17,992,428	22,427,500	26,761,110	30,940,756	35,222,159	39,679,092
	Recommended Cash Balance	9,896,341	9,563,054	9,692,514	8,702,728	8,935,895	9,132,495	9,668,447	9,794,495	9,850,454	9,948,360

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Electric Production

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Expenditure Forecast										
Total Cash Requirements	38,155,597	41,875,221	43,501,573	45,151,218	38,967,830	42,144,564	43,024,689	52,793,327	55,869,169	56,204,528
Revenue Forecast										
Mwh Sales - LANL	596,860	641,334	717,214	721,328	717,284	764,460	763,422	941,382	998,335	998,335
Mwh Sales - LAC Distribution	121,140	122,534	123,942	125,364	126,801	128,251	129,717	131,197	132,692	132,692
Total Mwh Sales	718,000	763,868	841,156	846,692	844,084	892,711	893,139	1,072,579	1,131,027	1,131,027
Revenue per Mwh	\$48.03	\$49.63	\$46.88	\$48.29	\$40.93	\$42.09	\$42.84	\$44.62	\$44.84	\$44.97
DOE Revenues	28,377,601	31,629,642	33,445,422	34,688,959	29,215,717	32,047,211	32,606,027	41,860,926	44,636,144	44,757,566
Economy Sales	3,525,627	3,803,345	3,907,251	4,097,633	4,262,619	4,414,545	4,608,645	4,788,726	4,999,100	5,193,406
Interest on Reserves	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Bond Federal Subsidy	33,984	33,984	33,984	33,984	30,867	27,669	24,080	19,561	19,561	19,561
Transfer from Distribution Fund	6,104,839	6,278,250	5,984,915	6,200,641	5,328,629	5,525,140	5,655,936	5,994,115	6,084,364	6,103,995
Total Cash Inflow	38,172,051	41,875,221	43,501,573	45,151,218	38,967,830	42,144,564	43,024,689	52,793,327	55,869,169	56,204,528
Net Cash Flow	16,454	-	-	-	-	-	-	-	-	-
Cumulative Net Cash Flow	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454	16,454
Cash Balance	17,787,415	19,715,614	19,715,614	19,715,614	19,715,614	19,715,614	19,715,614	19,715,614	19,715,614	19,715,614
Recommended Cash Balance	19,270,303	18,612,759	18,798,887	18,986,876	19,176,744	19,368,512	19,562,197	19,757,819	19,955,397	20,154,951
Reserves										
Retirement/Reclamation Reserve	10,665,552	10,878,845	11,070,297	11,008,523	10,586,060	10,186,921	9,835,481	9,401,674	8,955,058	8,605,995
Identified items on site	309,068	313,704	318,409	323,185	328,033	332,953	337,948	343,017	348,162	353,385
San Juan Decommissioning	5,086,620	5,275,020	5,463,420	5,651,820	5,840,220	6,028,620	6,217,020	6,405,420	6,593,820	6,782,220
Laramie River Decommissioning	799,980	838,980	877,980	916,980	955,980	994,980	1,033,980	1,072,980	1,111,980	1,150,980
San Juan Mine Reclamation	4,469,884	4,451,141	4,410,488	4,116,538	3,461,827	2,830,368	2,246,533	1,580,257	901,096	319,410

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020 through FY2029
Electric Fund Cash Reserve Analysis

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
ELECTRIC DIST & PROD CASH RESERVES										
Combined Cash Balance ED & EP	21,848,436	26,486,893	29,812,158	33,240,842	37,708,042	42,143,114	46,476,724	50,656,370	54,937,773	59,394,706
Recommended Cash Balance (ED)	9,896,341	9,563,054	9,692,514	8,702,728	8,935,895	9,132,495	9,668,447	9,794,495	9,850,454	9,948,360
Recommended Cash Balance (EP)	19,270,303	18,612,759	18,798,887	18,986,876	19,176,744	19,368,512	19,562,197	19,757,819	19,955,397	20,154,951
Recommended Cash Balance	29,166,644	28,175,814	28,491,400	27,689,604	28,112,640	28,501,007	29,230,644	29,552,314	29,805,851	30,103,311
TARGET RESERVE BALANCES										
Debt Service Reserve	4,030,211	3,663,977	1,724,896	1,454,051	1,454,032	1,472,933	1,635,428	1,635,428	1,635,428	1,635,429
Retirement/Reclamation Reserve	10,665,552	10,878,845	11,070,297	11,008,523	10,586,060	10,186,921	9,835,481	9,401,674	8,955,058	8,605,995
Identified items on site	309,068	313,704	318,409	323,185	328,033	332,953	337,948	343,017	348,162	353,385
San Juan Decommissioning	5,086,620	5,275,020	5,463,420	5,651,820	5,840,220	6,028,620	6,217,020	6,405,420	6,593,820	6,782,220
Laramie River Decommissioning	799,980	838,980	877,980	916,980	955,980	994,980	1,033,980	1,072,980	1,111,980	1,150,980
San Juan Mine Reclamation	4,469,884	4,451,141	4,410,488	4,116,538	3,461,827	2,830,368	2,246,533	1,580,257	901,096	319,410
Operations Reserve	7,027,519	6,835,238	8,564,884	8,919,758	10,000,686	10,630,294	11,202,374	11,859,153	12,531,100	13,107,879
Capital Expenditures Reserve	650,000	290,000	400,000	440,000	-	-	-	-	-	-
Contingency Reserve	515,113	522,839	530,682	538,642	546,722	554,922	563,246	571,695	580,270	588,974
Rate Stabilization Reserve	6,278,250	5,984,915	6,200,641	5,328,629	5,525,140	5,655,936	5,994,115	6,084,364	6,103,995	6,165,034
	29,166,644	28,175,814	28,491,400	27,689,604	28,112,640	28,501,007	29,230,644	29,552,314	29,805,851	30,103,311
RESERVE BALANCE FORECAST										
Debt Service Reserve	4,030,211	3,663,977	1,724,896	1,454,051	1,454,032	1,472,933	1,635,428	1,635,428	1,635,428	1,635,429
Retirement/Reclamation Reserve	10,665,552	10,878,845	11,070,297	11,008,523	10,586,060	10,186,921	9,835,481	9,401,674	8,955,058	8,605,995
Operations Reserve	7,027,519	6,835,238	8,564,884	8,919,758	10,000,686	10,630,294	11,202,374	11,859,153	12,531,100	13,107,879
Capital Expenditures Reserve	125,155	290,000	400,000	440,000	-	-	-	-	-	-
Contingency Reserve	-	522,839	530,682	538,642	546,722	554,922	563,246	571,695	580,270	588,974
Rate Stabilization Reserve	-	4,295,994	6,200,641	5,328,629	5,525,140	5,655,936	5,994,115	6,084,364	6,103,995	6,165,034
Total Cash Remaining	-	-	1,320,757	5,551,238	9,595,402	13,642,107	17,246,080	21,104,056	25,131,922	29,291,395

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Gas Distribution

1.50%

Expenditure Forecast

BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Supervision, Misc Direct Admin	282,780	287,022	291,327	295,697	300,132	304,634	309,204	313,842	318,549
Customer Service	63,500	64,453	65,419	66,401	67,397	68,408	69,434	70,475	71,532
Gas Distribution	272,946	277,040	281,196	285,414	289,695	294,041	298,451	302,928	307,472
Gas Meters	135,396	137,427	139,488	141,581	143,704	145,860	148,048	150,269	152,523
Capital Support & Inspection	6,208	6,301	6,395	6,491	6,588	6,687	6,788	6,889	7,098
Interdepartmental Charges	355,889	361,227	366,645	372,145	377,727	383,393	389,144	394,981	400,906
Administrative Division Allocation	627,647	637,061	646,617	656,317	666,161	676,154	686,296	696,591	707,039
In Lieu Taxes	223,722	223,722	223,722	223,722	223,722	223,722	223,722	223,722	223,722
Profit Transfer	279,133	262,692	264,836	275,553	283,413	286,985	290,915	292,344	651,028
Cost of Gas	2,754,000	2,960,550	3,006,450	3,235,950	3,404,250	3,480,750	3,564,900	3,595,500	3,626,100
TOTAL Operations Expenses	5,001,220	5,217,495	5,292,096	5,559,270	5,762,790	5,870,634	5,986,901	6,015,512	6,495,340
Capital	2,127,907	757,500	714,070	721,211	728,423	735,707	743,064	750,495	765,580
TOTAL Cash Requirements	7,129,127	5,974,995	6,006,166	6,280,481	6,491,213	6,606,341	6,729,966	6,766,007	7,260,920
Total outflow less COG	4,375,127	3,014,445	2,999,716	3,044,531	3,086,963	3,125,591	3,165,066	3,201,107	3,634,820

Revenue Forecast

Therm Sales	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000
Revenue per Therm	\$ 0.781	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 1.230
Rate Increase Percentage									
Cost of Gas Sales Revenue	2,754,000	2,960,550	3,006,450	3,235,950	3,404,250	3,480,750	3,564,900	3,595,500	3,626,100
Sales Rev from Fixed/Svc Chg	3,223,154	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	10,314,546
Total Sales Revenue	5,977,154	5,625,096	5,670,996	5,900,496	6,068,796	6,145,296	6,229,446	6,260,046	13,940,646
Interest on Utility Reserves	30,496	82,667	78,963	75,429	71,175	66,224	60,625	54,355	39,886
Revenue on Recoverable Work	20,000	20,300	20,605	20,914	21,227	21,546	21,869	22,197	22,868
TOTAL Cash Inflow	6,027,650	5,728,063	5,770,564	5,996,839	6,161,198	6,233,066	6,311,940	6,305,998	14,003,400

R&R and Cash Flows

Net Cash Flow									
Cummulative net cash flow	(1,101,477) (166,235)	(246,931) (413,166)	(235,602) (648,768)	(283,642) (932,410)	(330,015) (1,262,426)	(373,275) (1,635,701)	(418,025) (2,053,726)	(460,009) (2,513,735)	(504,550) (3,018,285)
Cash Balance	5,511,147	5,264,216	5,028,614	4,744,972	4,414,956	4,041,681	3,623,656	3,163,647	9,401,578
Recommended Cash Balance	1,999,100	1,972,616	1,996,957	2,021,627	2,046,632	2,071,975	2,097,661	2,123,696	2,176,829

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020 through FY2029
Gas Cash Reserve Analysis

GAS UTILITY CASH RESERVES										
BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
5,511,147	5,264,216	5,028,614	4,744,972	4,414,956	4,041,681	3,623,656	3,163,647	2,659,097	9,401,578	
1,999,100	1,972,616	1,996,957	2,021,627	2,046,632	2,071,975	2,097,661	2,123,696	2,150,083	2,176,829	
Recommended Cash Balance										
TARGET RESERVE BALANCES										
Operations Reserve	997,126	1,010,405	1,023,883	1,037,564	1,051,449	1,065,543	1,079,848	1,094,368	1,109,106	
Capital Expenditures Reserve	714,070	721,211	728,423	735,707	743,064	750,495	758,000	765,580	773,235	
Contingency Reserve	261,420	265,341	269,321	273,361	277,461	281,623	285,847	290,135	294,487	
Rate Stabilization Reserve*	-	-	-	-	-	-	-	-	-	
1,999,100	1,972,616	1,996,957	2,021,627	2,046,632	2,071,975	2,097,661	2,123,696	2,150,083	2,176,829	
RESERVE BALANCE FORECAST										
Operations Reserve	997,126	1,010,405	1,023,883	1,037,564	1,051,449	1,065,543	1,079,848	1,094,368	1,109,106	
Capital Expenditures Reserve	714,070	721,211	728,423	735,707	743,064	750,495	758,000	765,580	773,235	
Contingency Reserve	261,420	265,341	269,321	273,361	277,461	281,623	285,847	290,135	294,487	
Rate Stabilization Reserve*	-	-	-	-	-	-	-	-	-	
3,512,048	3,291,600	3,031,657	2,723,344	2,368,325	1,969,707	1,525,995	1,039,951	509,014	7,224,749	
Total Cash Remaining										

* Assumes pass-through cost of gas rate remains in place.

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Water Distribution

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Expenditure Forecast										
Supervision, Misc Direct Admin	241,921	245,549	249,233	252,971	256,766	260,617	264,526	268,494	272,522	276,610
Hydrants	-	-	-	-	-	-	-	-	-	-
Water Distribution	421,366	427,687	434,102	440,613	447,223	453,931	460,740	467,651	474,666	481,786
Water Meters	602,999	302,999	307,544	312,158	316,840	321,593	326,416	331,313	336,282	341,327
Capital Project Inspections & Support	6,208	6,301	6,395	6,491	6,588	6,687	6,788	6,889	6,993	7,098
Interdepartmental Charges	344,477	349,645	354,889	360,213	365,616	371,100	376,667	382,317	388,051	393,872
Administrative Division Allocation	625,560	634,943	644,467	654,134	663,946	673,906	684,014	694,274	704,689	715,259
Cost of Water	2,985,026	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750
Capital	1,694,379	50,500	286,648	298,787	311,141	322,660	336,502	349,516	363,840	377,321
Total Operation Expenses	5,227,557	4,795,874	4,825,381	4,855,330	4,885,729	4,916,584	4,947,901	4,979,688	5,011,952	5,044,700
Total Capital Expenditures	1,694,379	50,500	286,648	298,787	311,141	322,660	336,502	349,516	363,840	377,321
Total Expenditures	6,921,936	4,846,374	5,112,029	5,154,117	5,196,869	5,239,244	5,284,403	5,329,204	5,375,792	5,422,022
Revenue Forecast										
kgal Sales	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Revenue per kgal	\$ 7.19	\$ 7.55	\$ 7.93	\$ 8.27	\$ 8.60	\$ 8.85	\$ 9.03	\$ 9.19	\$ 9.33	\$ 9.47
Rate Increase Percentage	8.00%	5.00%	5.00%	4.25%	4.00%	3.00%	2.00%	1.75%	1.50%	1.50%
Total Sales Revenue	5,573,425	5,852,097	6,144,701	6,405,851	6,662,085	6,861,948	6,999,187	7,121,673	7,228,498	7,336,925
Interest on Utility Reserves	-	13,498	29,243	45,635	65,567	89,006	115,166	143,108	172,641	203,528
Revenue on Recoverable Work	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897	17,151
Misc Service Revenues	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897	17,151
Total Cash Inflow from Operations	5,603,425	5,896,045	6,204,851	6,482,857	6,759,493	6,983,272	7,147,156	7,298,076	7,434,933	7,574,755
R&R and Cash Flows										
Net Cash Flow										
Cumulative Net Cash Flow	(1,318,511)	1,049,671	1,092,822	1,328,740	1,562,623	1,744,029	1,862,753	1,968,871	2,059,141	2,152,733
	(1,313,869)	(264,198)	828,624	2,157,364	3,719,987	5,464,016	7,326,769	9,295,640	11,354,781	13,507,514
Cash Balance	899,871	1,949,542	3,042,364	4,371,104	5,933,727	7,677,756	9,540,509	11,509,380	13,568,521	15,721,254
Recommended Cash Balance	1,121,265	983,562	998,315	1,013,290	1,028,489	1,043,917	1,059,576	1,075,469	1,091,601	1,107,975

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Water Distribution

Rates												
Commodity rate per kgal												
Residential Tier 1 - < 9,000 gals	5.71	6.00	6.30	6.57	6.83	7.03	7.17	7.30	7.41	7.52		
Residential Tier 2 - 9 to 15,000 gals	6.07	6.37	6.69	6.97	7.25	7.47	7.62	7.75	7.87	7.99		
Residential Tier 3 - > 15,000 gals	7.26	7.62	8.00	8.34	8.67	8.93	9.11	9.27	9.41	9.55		
Multi-Family Tier 1 - < 9,000 gals	5.71	6.00	6.30	6.57	6.83	7.03	7.17	7.30	7.41	7.52		
Multi-Family Tier 2 - 9 to 15,000 gals	6.00	6.30	6.62	6.90	7.18	7.40	7.55	7.68	7.80	7.92		
Multi-Family Tier 3 - > 15,000 gals	6.13	6.44	6.76	7.05	7.33	7.55	7.70	7.83	7.95	8.07		
Commercial All Tiers	5.71	6.00	6.30	6.57	6.83	7.03	7.17	7.30	7.41	7.52		
County & Schools All Tiers	5.71	6.00	6.30	6.57	6.83	7.03	7.17	7.30	7.41	7.52		
Customer Charge per Meter Size												
= Or < 1.25"	10.81	11.35	11.92	12.43	12.93	13.32	13.59	13.83	14.04	14.25		
1.5"	34.25	35.96	37.76	39.36	40.93	42.16	43.00	43.75	44.41	45.08		
2"	51.12	53.68	56.36	58.76	61.11	62.94	64.20	65.32	66.30	67.29		
2.5" to 3"	100.87	105.91	111.21	115.94	120.58	124.20	126.68	128.90	130.83	132.79		
4"	171.77	180.36	189.38	197.43	205.33	211.49	215.72	219.50	222.79	226.13		
6"	362.62	380.75	399.79	416.78	433.45	446.45	455.38	463.35	470.30	477.35		
8"	599.13	629.09	660.54	688.61	716.15	737.63	752.38	765.55	777.03	788.69		

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Water Production

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
1.50%												
Expenditure Forecast												
Supervision and Operations	673,964	684,073	694,334	704,749	715,321	726,050	736,941	747,995	759,215	770,603		
Pumping Power	821,157	833,474	845,976	858,666	871,546	884,619	897,889	911,357	925,027	938,903		
Wells	132,155	134,138	136,150	138,192	140,265	142,369	144,504	146,672	148,872	151,105		
Booster Pump Stations	130,755	132,717	134,708	136,728	138,779	140,861	142,974	145,118	147,295	149,504		
Treatment	155,563	157,896	160,265	162,669	165,109	167,585	170,099	172,651	175,240	177,869		
Storage Tanks	42,378	43,013	43,659	44,313	44,978	45,653	46,338	47,033	47,738	48,454		
Transmission Lines	212,811	216,004	219,244	222,532	225,870	229,258	232,697	236,188	239,731	243,327		
Capital Project Inspection & Support	14,093	14,304	14,519	14,736	14,957	15,182	15,409	15,641	15,875	16,113		
Non Potable System	273,175	277,273	281,432	285,653	289,938	294,287	298,702	303,182	307,730	312,346		
Ski Hill	17,619	17,884	18,152	18,424	18,701	18,981	19,266	19,555	19,848	20,146		
Interdepartmental Charges	326,610	331,510	336,482	341,530	346,652	351,852	357,130	362,487	367,924	373,443		
Administrative Division Allocation	686,075	696,366	706,811	717,413	728,175	739,097	750,184	761,437	772,858	784,451		
State Water Tax	45,000	45,675	46,360	47,056	47,761	48,478	49,205	49,943	50,692	51,453		
Debt Service	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686	586,687		
Capital	5,855,000	861,985	861,985	861,985	861,985	861,985	861,985	861,985	861,985	861,985		
Capital Paid with Debt/Grants/Reimb	2,380,000	780,000	750,000	5,325,000	1,300,000	400,000	633,000	1,000,000	350,000	350,000		
Capital Paid with Cash	3,475,000	81,985	111,985	(4,463,016)	(438,016)	461,985	228,985	(138,016)	511,985	511,985		
Total Operations Expenses	3,789,729	3,891,240	3,994,231	4,337,974	4,439,969	4,428,601	4,362,096	4,466,419	4,564,732	4,624,404		
Total Capital Expenditures	8,235,000	1,641,985	1,611,985	6,186,985	2,161,985	1,261,985	1,494,985	1,861,985	1,211,985	1,211,985		
Less Capital Paid by WTB/Other	(2,380,000)	(780,000)	(750,000)	(5,325,000)	(1,300,000)	(400,000)	(633,000)	(1,000,000)	(350,000)	(350,000)		
Total Cash Requirements	9,644,729	4,753,225	4,856,215	5,199,959	5,301,953	5,290,585	5,224,081	5,328,403	5,426,717	5,486,389		

Revenue Forecast												
Non-potable												
Non-potable production in kgals	90,400	94,500	94,500	108,600	136,500	136,500	136,500	136,500	136,500	136,501		
Revenue per kgal	\$ 1.94	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70		
Non-potable rate per 1000 gallons	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50		
Rate Increase Percentage												
Non-potable sales revenue	\$ 175,663	\$ 160,650	\$ 160,650	\$ 184,620	\$ 232,050	\$ 232,050	\$ 232,050	\$ 232,050	\$ 232,050	\$ 232,052		

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Water Production

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Potable										
Production in thousand gallons	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Revenue per thousand gallons	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65
Rate Increase Percentage										
Potable sales revenue	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500
Total Sales Revenue	\$ 4,373,163	\$ 4,358,150	\$ 4,358,150	\$ 4,382,120	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550	\$ 4,429,550	\$ 4,429,552
Repayment & Interest on Inter-Utility Loans	187,569	187,569	187,569	187,569	187,569	93,784	-	-	-	-
Interest on Utility Reserves	79,426	108,744	119,376	128,173	200,930	213,492	211,410	212,315	217,144	210,821
Bond Federal Subsidy	27,576	27,576	27,576	27,576	21,338	14,940	10,459	8,496	8,496	8,497
Econ Dev Fund/Ski Hill Reimb	-	-	-	-	-	-	-	-	-	-
Federal or State Grant/Loan	2,380,000	780,000	750,000	5,325,000	1,300,000	400,000	633,000	1,000,000	350,000	350,000
Total Cash Inflow	7,047,734	5,462,039	5,442,671	10,050,438	6,139,387	5,151,765	5,284,418	5,650,360	5,005,190	4,998,870
R&R and Cash Flows										
Net Cash Flow	(2,596,996)	708,815	586,456	4,850,479	837,434	(138,820)	60,338	321,957	(421,527)	(487,519)
Cumulative Net Cash Flow	(3,119,964)	(2,411,149)	(1,824,693)	3,025,786	3,863,220	3,724,400	3,784,738	4,106,695	3,685,168	3,197,648
Cash Balance	7,249,606	7,958,420	8,544,877	13,395,356	14,232,790	14,093,970	14,154,307	14,476,265	14,054,737	13,567,218
Recommended Cash Balance	2,783,297	2,869,913	2,957,785	3,286,183	3,372,602	3,345,425	3,262,874	3,350,909	3,432,692	3,475,584

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020 through FY2029
Water Fund Cash Reserve Analysis

WATER DIST & PROD CASH RESERVES										
BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Combined Cash Balance DW & WP	8,149,477	9,907,962	11,587,241	17,766,460	20,166,517	21,771,726	23,694,817	25,985,645	27,623,258	29,288,472
Recommended Cash Balance (DW)	1,121,265	983,562	998,315	1,013,290	1,028,489	1,043,917	1,059,576	1,075,469	1,091,601	1,107,975
Recommended Cash Balance (WP)	2,783,297	2,869,913	2,957,785	3,286,183	3,372,602	3,345,425	3,262,874	3,350,909	3,432,692	3,475,584
Recommended Cash Balance	3,904,563	3,853,475	3,956,100	4,299,473	4,401,092	4,389,342	4,322,449	4,426,379	4,524,293	4,583,560
TARGET RESERVE BALANCES										
Debt Service Reserve	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686	586,687
Operations Reserve	2,886,943	2,775,725	2,817,361	2,859,621	2,902,516	2,946,053	2,990,244	3,035,098	3,080,624	3,126,834
Capital Expenditures Reserve	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)
Contingency Reserve	772,669	784,259	796,023	807,963	820,082	832,384	844,869	857,542	870,406	883,462
	3,904,563	3,853,475	3,956,100	4,299,473	4,401,092	4,389,342	4,322,449	4,426,379	4,524,293	4,583,560
RESERVE BALANCE FORECAST										
Debt Service Reserve	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686	586,687
Operations Reserve	2,886,943	2,775,725	2,817,361	2,859,621	2,902,516	2,946,053	2,990,244	3,035,098	3,080,624	3,126,834
Capital Expenditures Reserve	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)	(13,423)
Contingency Reserve	772,669	784,259	796,023	807,963	820,082	832,384	844,869	857,542	870,406	883,462
Total Cash Remaining	4,244,914	6,054,488	7,631,141	13,466,987	15,765,425	17,382,384	19,372,367	21,559,266	23,098,965	24,704,913

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Wastewater Division

1.50%

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
EXPENSE FORECAST										
WASTEWATER COLLECTION										
Supervision, Misc Direct Admin	303,641	308,196	312,819	317,511	322,274	327,108	332,014	336,995	342,049	347,180
Wastewater Collection Operations	344,677	349,847	355,094	360,421	365,827	371,315	376,884	382,538	388,276	394,100
Sewer Lift Stations	160,120	162,521	164,959	167,434	169,945	172,494	175,082	177,708	180,373	183,079
Capital Project Inspection & Support	4,108	4,169	4,232	4,295	4,360	4,425	4,491	4,559	4,627	4,697
Total WWC Operations Expenses	812,545	824,733	837,104	849,661	862,405	875,342	888,472	901,799	915,326	929,056
WASTEWATER TREATMENT										
LA WWTP Operations & Maintenance	1,315,048	1,334,773	1,354,795	1,375,117	1,395,744	1,416,680	1,437,930	1,459,499	1,481,391	1,503,612
WR WWTP Operations & Maintenance	360,712	366,122	371,614	377,188	382,846	388,589	394,418	400,334	406,339	412,434
Total WWT Operations Expenses	1,675,759	1,700,896	1,726,409	1,752,305	1,778,590	1,805,269	1,832,348	1,859,833	1,887,730	1,916,046
Interdepartmental Charges	602,162	611,195	620,363	629,668	639,113	648,700	658,430	668,307	678,331	688,506
Administrative Division Allocation	769,214	780,753	792,464	804,351	816,416	828,662	841,092	853,709	866,514	879,512
Operations encumbrances rolled forward										
Debt Service (WWWT)	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Capital	520,000	673,602	673,602	673,602	673,602	673,602	673,602	673,602	673,602	673,602
Total Operations Expenses	4,557,995	5,542,700	5,601,463	5,661,108	5,721,649	5,689,312	5,657,897	5,721,202	5,782,115	5,847,334
Total Capital Expenditures	520,000	673,602	673,602	673,602	673,602	673,602	673,602	673,602	673,602	673,602
Total Cash Requirements	5,077,995	6,216,302	6,275,066	6,334,711	6,395,251	6,362,914	6,331,499	6,394,804	6,455,717	6,520,937
REVENUE FORECAST										
<i>Mgal Processed</i>	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000
Res'l Single-Family Flat Rate Customers	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629
Res'l Single Family Flat Rate	42.66	44.79	46.69	48.32	49.53	50.52	51.40	52.17	52.95	53.74
Res'l Single-Family Service Charge	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62	14.84
Rate Increase Percentage	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	1.50%
Total Revenue from Res'l SF Flat Rate	4,287,287	4,501,494	4,692,863	4,856,668	4,977,947	5,077,175	5,165,378	5,242,555	5,321,308	5,400,848

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Wastewater Division

1.50%

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Res'l Multi-Family Flat Rate Customers	75	75	75	75	75	75	75	75	75	75
Res'l Multi-Family Service Charge	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62	29.46
No. of Res'l Multi-Family Dwelling Units	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Res'l Multi-Family Flat Rate	35.54	37.32	38.91	40.27	41.28	42.11	42.85	43.49	44.14	88.94
Rate Increase Percentage	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	101.50%
Total Revenue from Res'l MF Flat Rate	645,378	677,702	706,578	731,273	749,610	764,678	778,111	789,731	801,539	1,615,064
Non-Residential Customers	291	291	291	291	291	291	291	291	291	292
Non-Residential Service Charge	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62	29.46
Non-Residential Sales in Kgal	45,572	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848	44,758
Adjustment Factor	1.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Adjusted Non-Residential Sales in Kgal	46,370	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848	89,516
Non-Res'l Commodity Charge per Kgal	20.08	21.08	21.98	22.75	23.32	23.79	24.21	24.57	24.94	50.25
Rate Increase Percentage	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	101.50%
Total Revenue from Non-Residential	943,068	971,875	1,011,435	1,044,858	1,068,972	1,088,411	1,105,486	1,119,775	1,134,474	4,463,388
Total Sales Revenue	5,582,581	6,151,070	6,410,875	6,632,799	6,796,529	6,930,264	7,048,975	7,152,061	7,257,320	11,479,299
Interest on Utility Reserves	35,667	58,643	58,479	63,336	72,371	84,213	100,502	120,951	142,906	166,519
Inter-Utility Loan										
Loan Proceeds	520,000									
Revenue on Recoverable Work										
Total Cash Inflow	6,138,248	6,209,714	6,469,354	6,696,135	6,868,900	7,014,476	7,149,477	7,273,012	7,400,226	11,645,818
Net Cash Flow	1,060,252	(6,589)	194,288	361,424	473,649	651,562	817,977	878,208	944,509	5,124,881
Cumulative Net Cash Flow	663,087	656,499	850,787	1,212,211	1,685,861	2,337,423	3,155,400	4,033,609	4,978,118	10,102,999
Cash Balance	2,345,731	2,339,143	2,533,431	2,894,855	3,368,505	4,020,067	4,838,044	5,716,252	6,660,762	11,785,643
Recommended Cash Balance	3,849,953	3,949,899	3,984,771	4,020,165	4,056,091	3,998,771	3,941,998	3,979,564	4,014,353	5,013,891

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020 through FY2029
Wastewater Fund Cash Reserve Analysis

WASTEWATER UTILITY CASH RESERVES										
	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Cash Balance *	2,345,731	2,339,143	2,533,431	2,894,855	3,368,505	4,020,067	4,838,044	5,716,252	6,660,762	11,785,643
Recommended Cash Balance	3,849,953	3,949,899	3,984,771	4,020,165	4,056,091	3,998,771	3,941,998	3,979,564	4,014,353	5,013,891
TARGET RESERVE BALANCES										
Debt Service Reserve	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Operations Reserve	1,929,840	1,958,788	1,988,170	2,017,992	2,048,262	2,078,986	2,110,171	2,141,824	2,173,951	2,206,560
Capital Expenditures Reserve	861,219	-	-	-	-	-	-	-	-	960,835
Contingency Reserve	360,579	365,987	371,477	377,049	382,705	388,446	394,272	400,186	406,189	412,282
	3,849,953	3,949,899	3,984,771	4,020,165	4,056,091	3,998,771	3,941,998	3,979,564	4,014,353	5,013,891
RESERVE BALANCE FORECAST										
Debt Service Reserve	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Operations Reserve	1,647,417	714,019	908,307	1,269,732	1,743,381	2,078,986	2,110,171	2,141,824	2,173,951	2,206,560
Capital Expenditures Reserve	-	-	-	-	-	-	-	-	-	960,835
Contingency Reserve	-	-	-	-	-	388,446	394,272	400,186	406,189	412,282
Total Cash Remaining	-	-	-	-	-	21,295	896,046	1,736,688	2,646,408	6,771,751

Los Alamos County Department of Public Utilities
10-Year Financial Forecast - FY2020 - FY2029
Customer Impact

Projected Average Bill for Residential

	ELECTRIC 500 kwh	GAS 75 therms (assumes \$0.30 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase	Total cumulative % Increase
FY2020	\$69.60	\$49.25	\$45.10	\$54.45	\$218.40	3.09%	6%
FY2021	\$69.60	\$49.25	\$47.35	\$57.17	\$223.37	2.28%	9%
FY2022	\$69.60	\$49.25	\$49.72	\$59.60	\$228.17	2.15%	11%
FY2023	\$69.60	\$49.25	\$51.83	\$61.69	\$232.37	1.84%	13%
FY2024	\$69.60	\$49.25	\$53.91	\$63.23	\$235.98	1.56%	15%
FY2025	\$69.60	\$49.25	\$55.52	\$64.49	\$238.87	1.22%	16%
FY2026	\$69.60	\$49.25	\$56.63	\$65.62	\$241.11	0.94%	17%
FY2027	\$69.60	\$49.25	\$57.62	\$66.61	\$243.08	0.82%	18%
FY2028	\$69.60	\$49.25	\$58.49	\$67.61	\$244.94	0.77%	19%
FY2029	\$69.60	\$49.25	\$59.37	\$68.62	\$246.84	0.77%	20%

Utility Expense as a Percentage of Income

	Total Bill for Average Household	Los Alamos Median Household Income	Assumed Annual Income Increase	Percentage Needed to Pay Utility Bill
FY2020	\$218.40	\$108,639	2.5%	2.41%
FY2021	\$223.37	\$111,355	2.5%	2.41%
FY2022	\$228.17	\$114,139	2.5%	2.40%
FY2023	\$232.37	\$116,992	2.5%	2.38%
FY2024	\$235.98	\$119,917	2.5%	2.36%
FY2025	\$238.87	\$122,915	2.5%	2.33%
FY2026	\$241.11	\$125,988	2.5%	2.30%
FY2027	\$243.08	\$129,137	2.5%	2.26%
FY2028	\$244.94	\$132,366	2.5%	2.22%
FY2029	\$246.84	\$135,675	2.5%	2.18%

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY20 (1 July 2019 - 30 June 2020)		Budget
ELECTRIC PRODUCTION		265,000
Update Energy & Water Conservation Plan		25,000
Electric SCADA Upgrades (Modems, Switches & RTUS)		100,000
Abiquiu Jib Crane		140,000
ELECTRIC DISTRIBUTION		2,303,256
Los Alamos URD Replacement (cables, jboxes, pedestals)		100,000
White Rock URD Replacement (cables, jboxes, pedestals)		100,000
Overhead System Replacement (poles, xarms, transformers)		200,000
Townsite Circuit 15, 3 PHASE		
White Rock Circuit 1, 3PHASE		
Los Alamos Substation LASS		850,000
Advanced Meter Infrastructure (AMI)		1,053,256
GAS DISTRIBUTION		2,127,907
Update Energy & Water Conservation Plan		25,000
Advanced Meter Infrastructure (AMI)		2,102,907
WATER DISTRIBUTION		1,694,378
Advanced Meter Infrastructure (AMI)		1,694,378
WATER PRODUCTION		5,855,000
Update Energy & Water Conservation Plan		25,000
Otowi Well #2 Well House, Pump and Equipment		1,900,000
NM 4 & Tsankawi Chlorination Building and Pipe Replacement		750,000
Replace Overlook Park Booster Station (NP-WTB)		880,000
LA Reservoir Road Stab. (\$1,125,000 FEMA / \$187,500 LAC / \$187,500 DPU)		1,500,000
Pajarito Well #4 Engine		800,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		520,000
SEWER COLLECTION		0
WASTEWATER TREATMENT		520,000
WR WWTP Replacement Project - Construction Inspection/Admin.		520,000

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY21 (1 July 2020 - 30 June 2021)		Budget
ELECTRIC PRODUCTION		650,000
El Vado Transformer Replacement		400,000
Abiquiu Transformer Replacement		100,000
Abiquiu Office Replacement		150,000
ELECTRIC DISTRIBUTION		750,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
White Rock GWS & ED Facility		50,000
Overhead System Replacement (poles, xarms, transformers)		300,000
Townsite Circuit 13, 3 PHASE		
White Rock Circuit2, 3 PHASE		
GAS DISTRIBUTION		50,000
GWS/GA Facilities at WR WWTP		50,000
WATER DISTRIBUTION		50,000
GWS/DW Facilities at WR WWTP		50,000
WATER PRODUCTION		940,000
Auto Valves 10 & 11 R & R		160,000
Design Project (G12 Tank, BS's, etc.) (NP - WTB)		530,000
Minor Diamond Drive Connections (NP - WTB)		250,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		13,050,000
SEWER COLLECTION		50,000
GWS/WC Facilities at WR WWTP		50,000
WASTEWATER TREATMENT		13,000,000
WR WWTP Replacement Project - Construction		13,000,000

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY22 (1 July 2021 - 30 June 2022)		Budget
ELECTRIC PRODUCTION		290,000
El Vado Ultrasonic Flow Meter		90,000
El Vado Communication Upgrades		200,000
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (polex, xarms, transformers)		300,000
Townsite Circuit 16, 3 PHASE		
White Rock Circuit1, 1 PHASE		
GAS DISTRIBUTION		281,000
White Rock Key Steel Valve Project Phase 1		281,000
WATER DISTRIBUTION		675,000
Repaint Barranca Mesa Tank No. 2		675,000
WATER PRODUCTION		1,595,000
Repaint Guaje Booster No. 3 Tank 1 and Tank 2		845,000
2nd Group 12 Tank (NP - WTB)		750,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		0
SEWER COLLECTION		0
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY23 (1 July 2022 - 30 June 2023)		Budget
ELECTRIC PRODUCTION		400,000
Abiquiu Runner Repair /Rplacement		400,000
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (polex, xarms, transformers)		300,000
Townsite Ski Hill Circuit, 3 PHASE		
White Rock Circuit2, 1 PHASE		
GAS DISTRIBUTION		290,000
White Rock Key Steel Valve Project Phase 2		290,000
WATER DISTRIBUTION		450,000
North Mesa Distribution Upgrades - Phase 1		450,000
WATER PRODUCTION		5,325,000
Abandon Guaje Well 1A & Drill New Guaje Well 1B		4,500,000
Guaje Pines, North Mesa, Diamond Connections (NP - WTB)		825,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		844,000
SEWER COLLECTION		844,000
Laguna Sewer Canyon Drop Replacement		844,000
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY24 (1 July 2023 - 30 June 2024)		Budget
ELECTRIC PRODUCTION		440,000
	El Vado Controls Upgrade	440,000
ELECTRIC DISTRIBUTION		700,000
	Los Alamos URD Replacement (cables, jboxes, pedestals)	200,000
	White Rock URD Replacement (cables, jboxes, pedestals)	200,000
	Overhead System Replacement (polex, xarms, transformers)	300,000
	Townsite Circuit 15, 1 PHASE	
	White Rock Circuit 1, Wire 3 PHASE	
GAS DISTRIBUTION		299,000
	White Rock Key Steel Valve Project Phase 2	299,000
WATER DISTRIBUTION		465,000
	North Mesa Distribution Upgrades - Phase 2	465,000
WATER PRODUCTION		1,988,000
	Repaint Pajarito Tank 4A	600,000
	Auto Valve 9 R & R	88,000
	Bayo BS & Tank Upgrades (NP - WTB)	1,300,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		353,000
SEWER COLLECTION		353,000
	Arkansas Area Backyard Sewer Mains & Services R&R	179,000
	Loma Vista Sewer Lift Station Rehabilitation	174,000
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY25 (1 July 2024 - 30 June 2025)		Budget
ELECTRIC PRODUCTION		0
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (poles, xarms, transformers)		300,000
Townsite Circuit 13, 1 PHASE		
White Rock Circuit2, Wire 3 PHASE		
GAS DISTRIBUTION		307,000
Pipeline Repair & Replacement / Equipment		307,000
WATER DISTRIBUTION		500,000
Aspen School Area Pipeline Phase 1		500,000
WATER PRODUCTION		1,672,000
Townsite 14" Pipeline R&R - Phase 1		922,000
SCADA Upgrades		350,000
Chamisa School NP Pipeline Connection (NP - WTB)		400,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		353,000
SEWER COLLECTION		353,000
Aspen School Area Sewerline R&R - Phase 1		174,000
Paseo Penasco Sewer Lift Station Rehabilitation		179,000
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY26 (1 July 2025 - 30 June 2026)		Budget
ELECTRIC PRODUCTION		0
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (poles, xarms, transformers)		300,000
Townsite Circuit 16, 1 PHASE		
White Rock Circuit1, Wire 1 PHASE		
GAS DISTRIBUTION		317,000
Pipeline Repair & Replacement / Equipment		317,000
WATER DISTRIBUTION		515,000
Aspen School Area Pipeline Phase 2		515,000
WATER PRODUCTION		1,583,000
Townsite 14" Pipeline R&R - Phase 3		950,000
Barranca Mesa NP Pipeline Connections (NP - WTB)		633,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		989,000
SEWER COLLECTION		672,000
Aspen School Area Sewerline R&R - Phase 2		179,000
El Gancho Sewer Lift Station Rehabilitation		185,000
North Community Backyard Sewer Mains & Services R&R - Phase 2		308,000
WASTEWATER TREATMENT		317,000
Equipment / Vehicle		317,000

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY27 (1 July 2026 - 30 June 2027)		Budget
ELECTRIC PRODUCTION		0
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (polex, xarms, transformers)		300,000
Townsite Circuit 16, 1 PHASE		
White Rock Circuit1, Wire 1 PHASE		
GAS DISTRIBUTION		326,000
Pipeline Repair & Replacement / Equipment		326,000
WATER DISTRIBUTION		530,450
Aspen School Area Pipeline Phase 3		530,450
WATER PRODUCTION		1,979,000
Townsite 14" Pipeline R&R - Phase 3		979,000
Rover and Pinon Park NP Pipeline Connections (NP - WTB)		1,000,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		666,000
SEWER COLLECTION		666,000
Old Pueblo Sewer Canyon Drop Replacement		380,000
41st/45th/46th/47th Sewerline R&R {PW-WA 7}		101,000
Aspen School Area Sewerline R&R Phase 3		185,000
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY28 (1 July 2027 - 30 June 2028)		Budget
ELECTRIC PRODUCTION		0
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (polex, xarms, transformers)		300,000
Townsite Circuit 16, 1 PHASE		
White Rock Circuit1, Wire 1 PHASE		
GAS DISTRIBUTION		336,000
Pipeline Repair & Replacement / Equipment		336,000
WATER DISTRIBUTION		546,364
Aspen School Area Pipeline Phase 4		546,364
WATER PRODUCTION		1,358,000
Townsite 14" Pipeline R&R - Phase 4		1,008,000
SCADA Upgrades (NP - WTB)		350,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		375,000
SEWER COLLECTION		375,000
Aspen School Area R&R - Phase 4		185,000
Ridge Park Sewer Lift Station rehabilitation		190,000
WASTEWATER TREATMENT		0

Los Alamos County Department of Public Utilities
Fiscal Years 2020-2029
10-Year Capital Plan

FY29 (1 July 2028 - 30 June 2029)		Budget
ELECTRIC PRODUCTION		0
ELECTRIC DISTRIBUTION		700,000
Los Alamos URD Replacement (cables, jboxes, pedestals)		200,000
White Rock URD Replacement (cables, jboxes, pedestals)		200,000
Overhead System Replacement (poles, arms, transformers)		300,000
Townsite Circuit 16, 1 PHASE		
White Rock Circuit 1, Wire 1 PHASE		
GAS DISTRIBUTION		345,000
Pipeline Repair & Replacement / Equipment		345,000
WATER DISTRIBUTION		750,000
Fairway 47th to Western Area Pipeline		652,000
PRV Replacement - 1 Each		98,000
WATER PRODUCTION		1,736,000
Otowi Well No. 4 Tank (Anniversary) Construct Second Tank		1,386,000
SCADA Upgrades (NP - WTB)		350,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL		750,000
SEWER COLLECTION		750,000
Airport Canyon Sewer Canyon Drop Replacement		750,000
WASTEWATER TREATMENT		0



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.B
Index (Council Goals): BCC - N/A
Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply
Legislative File: 11636-19

Title

Approval of Contract No. 17-SLC-0896 Between Los Alamos County and United States Department of Energy Western Area Power Administration Salt Lake City Area for Integrated Projects for Firm Electric Services

Recommended Action

I move that the Board of Public Utilities Contract No. 17-SLC-0896 Between Los Alamos County and United States Department of Energy Western Area Power Administration Salt Lake City Area for Integrated Projects for Firm Electric Services and forward to Council for approval.

Staff Recommendation

Staff recommends approval of the contract as presented.

Body

Los Alamos County has been receiving an entitlement share of federal hydropower since 1989 through the Western Area Power Administration (WAPA). WAPA is an agency of the United States Department of Energy formed for the purpose of marketing electric energy generated at hydroelectric generating facilities operated by the United States Department Bureau of Reclamation. The County's entitlement share of this renewable energy resource is approximately 1.5 MW's of capacity with an annual energy entitlement of 5,097 MWh.

WAPA in accordance with their resource planning obligations developed a 2025 Salt Lake City Area (SLCA) Integrated Projects Marketing Plan. The County is a contractor of the SLCA Integrated Projects and specifically contracts with WAPA through the Colorado River Storage Project, which is one of SLCA Integrated Projects.

The 2025 Marketing Plan proposes that contracts be entered into with existing contractors for the Post-2025 marketing period at the same entitlement levels established under existing contracts. WAPA has made a few changes in the proposed contract from the form of the existing contract. Thus the effect of entry into the proposed contract would be essentially to continue the basic operational terms of the existing contract until 2057.

The County by written notice to WAPA within 90 days after the effective date of a rate change, may elect to terminate the service billed by WAPA under the new rate. Termination will be effective on the last day of the billing period requested by the County.

The County's entitlement share of WAPA hydropower supports the adopted Future Energy Resource recommendations and Los Alamos County Strategic Leadership Plan, specifically

Environmental Stewardship by improving environmental quality and sustainability, balancing costs and benefits including County services and utilities.

Alternatives

The County could choose not to approve the contract with WAPA and the replacement power would be purchased on the open market or through another generating asset.

Fiscal and Staff Impact

The current WAPA power costs are included in DPU's budget projections. If the contract is terminated, the fiscal impacts would be the difference between the WAPA cost of energy and that of the replacement resource. For reference in fiscal year 2018 the WAPA cost of power was \$28.53/MWh whereas the spot market purchases averaged \$35.67/MWh. The staff impacts are minimal but the WAPA contract does provide our Power System Operators some flexibility in the hour by hour operation.

Attachments

A - WAPA Contract for Firm Electric Service 2024

CONTRACT
BETWEEN
LOS ALAMOS COUNTY
AND
UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS
FOR
FIRM ELECTRIC SERVICE

CONTRACT
BETWEEN
LOS ALAMOS COUNTY
AND
UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS
FOR
FIRM ELECTRIC SERVICE

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CONTRACT
BETWEEN
LOS ALAMOS COUNTY
AND
UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS
FOR
FIRM ELECTRIC SERVICE

1. PREAMBLE

This CONTRACT is made this _____ day of _____, 201__, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), the Act of Congress approved February 25, 1905 (33 Stat. 814), the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), the Flood Control Act of December 22, 1944 (58 Stat. 887), the Act of Congress approved July 3, 1952 (66 Stat. 325), the Act of Congress approved April 11, 1956 (70 Stat. 105), the Act of Congress approved August 4, 1977 (91 Stat. 565), and acts amendatory or supplementary to the foregoing Acts, between THE UNITED STATES OF AMERICA, acting by and through the Administrator, Western Area Power Administration, an agency of the Department of Energy, hereinafter called "WAPA," represented by the officer executing this Contract, a duly appointed successor, or a duly authorized representative, hereinafter called the "Contracting Officer," and Los Alamos County, duly organized, created, and existing under and by virtue of the laws of the State of New Mexico hereinafter referred to as the "Contractor,"

its successors and assigns, each sometimes hereinafter individually called “Party,” and both sometimes hereinafter collectively called the “Parties.”

2. EXPLANATORY RECITALS

2.1 The United States Bureau of Reclamation (Reclamation) operates certain Federal hydroelectric facilities known as the Collbran Project, Rio Grande Project, and the Colorado River Storage Project.

2.2 WAPA refers to the hydroelectric facilities of the Collbran Project, Rio Grande Project, and the Colorado River Storage Project collectively as the Salt Lake City Area Integrated Projects, hereinafter called “SLCA Integrated Projects.”

2.3 WAPA markets and transmits hydroelectric power generated at the SLCA Integrated Projects pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), the Act of Congress approved February 25, 1905 (33 Stat. 814), the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), the Flood Control Act of December 22, 1944 (58 Stat. 887), the Act of Congress approved July 3, 1952 (66 Stat. 325), the Act of Congress approved April 11, 1956 (70 Stat. 105), the Act of Congress approved August 4, 1977 (91 Stat. 565), and acts amendatory or supplementary to the foregoing Acts by the United States of America.

- 2.4 To implement the foregoing authorities, WAPA developed and published the Salt Lake City Area Integrated Projects Post-1989 General Power Marketing and Allocation Criteria (hereinafter called the “Criteria” and/or “Post-1989 Marketing Plan”) in the Federal Register on February 7, 1986 (51 FR 4844).
- 2.5 WAPA and Reclamation are under a continuing obligation to ensure the operation of Reclamation’s hydroelectric facilities complies with Federal law. Due to this, WAPA maintains flexibility in its contracts to respond if Reclamation changes the way its facilities are operated.
- 2.6 As published in the Federal Register on April 2, 1987 (52 FR 10620), WAPA’s Administrator approved final allocations of the hydroelectric power generated at the SLCA Integrated Projects, under which the Contractor received Summer and Winter Season capacity and energy allocations. Minor revisions were subsequently made to the allocations on August 24, 1989 (54 FR 35234).
- 2.7 WAPA entered into long-term firm power contracts for the delivery of the SLCA Integrated Projects capacity and energy allocations listed in the April 2, 1987, Federal Register notice (52 FR 10620), as subsequently revised in the August 24, 1989, Federal Register notice (54 FR 35234) and other Federal Register notices explained below. These contracts are referred to as the Firm Electric Service contracts executed with the SLCA Integrated Projects.

- 2.8 Effective November 20, 1995, WAPA published the Energy Planning and Management Program (Program), 10 C.F.R. Part 905, to implement Section 114 of the Energy Policy Act of 1992 (106 Stat. 2776).
- 2.9 The Program consists of two components: a requirement that each long-term firm power customer prepare an integrated resource plan, and a Power Marketing Initiative (PMI) under which WAPA extended a major portion of the Federal resource commitments to its existing long-term firm power customers. Subpart C - Power Marketing Initiative of the Program provides for the establishment of project-specific resource pools and the allocation of power from these pools to new preference customers.
- 2.10 WAPA did not consider applying the PMI to the SLCA Integrated Projects until after completion of the SLCA Integrated Projects Electric Power Marketing Environmental Impact Statement (EIS). The Record of Decision on that EIS was issued on November 1, 1996.
- 2.11 Subsequent to WAPA's proposed application of the PMI to the SLCA Integrated Projects, the public was provided opportunities to comment on WAPA's proposed application of the PMI. Public comment was also invited on how WAPA should market power given recent changes in the electric industry; and, on how much power should be set aside for new customers, particularly Native American Tribal entities. On June 25, 1999, WAPA announced its decision in the Federal Register

(64 FR 34414) that the term of SLCA Integrated Projects contracts would be renewed and extended until September 30, 2024. On September 8, 1999, WAPA established the Power Allocation Procedures and Call for Applications in the Federal Register (64 FR 48825), for SLCA Integrated Projects Post-2004 Resource Pool.

- 2.12 On February 4, 2002, WAPA published final allocations of the Post-2004 Resource Pool in the Federal Register (67 FR 5113) and on July 29, 2002, adjusted final allocations as published in the Federal Register (67 FR 49019).
- 2.13 In the May 20, 2004, Federal Register (69 FR 29135), WAPA published its Notice of Determination of the Post-2004 Marketable Resources which stated that due to drought conditions it was necessary to reduce the energy component of the SLCA Integrated Projects marketable resources. WAPA stated that it would reduce the marketable energy available to its Contractors beginning October 1, 2004, then gradually increase the energy available over a 5-year period, reaching a level in the fifth year (beginning October 1, 2009) that would remain constant through September 30, 2024. WAPA also indicated that additional hydroelectric power could be available to its customers when hydrologic conditions warranted. On October 1, 2004, most entitlements of Contractors to the long-term firm SLCA Integrated Projects capacity and energy available at that time were reduced by seven (7) percent to provide power for new preference customers. WAPA amended the existing contracts with the Contractors to implement this decision.

- 2.14 The existing contracts expire on September 30, 2024. WAPA published its Proposed 2025 Marketing Plan on December 16, 2015 (80 FR 78222), for the marketing of SLCA Integrated Projects' hydroelectric power and energy for a period beginning October 1, 2024.
- 2.15 In the November 29, 2016, Federal Register (81 FR 85946) WAPA announced its Final 2025 Salt Lake City Area Integrated Projects Marketing Plan (hereinafter called the "2025 Marketing Plan"), extending existing capacity and energy allocations to existing Contractors of SLCA Integrated Projects, while recognizing additional project development may occur in future years. It also provided for establishing a new Firm Electric Service contract based upon the existing SLCA Integrated Projects contract.
- 2.16 The Contractor desires to purchase and WAPA is willing to furnish Firm Electric Service from the SLCA Integrated Projects under the terms and conditions stated herein.

3. AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties hereto agree as follows.

4. TERM OF CONTRACT

- 4.1 This Contract shall become effective as of the date in Section 1 above or October 1, 2017, whichever is later, and will remain in effect through the end of the calendar day on September 30, 2057, subject to prior adjustments, modifications, or termination as provided herein.
- 4.2 The delivery of Firm Electric Service under this Contract shall commence October 1, 2024.
- 4.3 The delivery of Firm Electric Service from the effective date hereof through the end of the calendar day on September 30, 2024, shall be subject to the terms and conditions of Contract No. 87-SLC-0027, except that sections 7.1.6, 13, 14, and 15 of this Contract shall become effective for all Firm Electric Service deliveries on or after the effective date hereof. Except as provided above, in the event of a conflict between the terms of Contract No. 87-SLC-0027 and the terms of this Contract, the terms of Contract No. 87-SLC-0027 shall control through the end of calendar day September 30, 2024, and the terms of this Contract shall control thereafter.

5. RELATED CONTRACTS

- 5.1 The Contractor's SLCA Integrated Projects Contract No. 87-SLC-0027 with

WAPA expires by its own terms and terminates in its entirety at the end of the calendar day on September 30, 2024.

- 5.2 Termination of Contract No. 87-SLC-0027 and implementation of this Contract shall occur simultaneously, at the end of the calendar day on September 30, 2024, with no disruption in delivery of Firm Electric Service.
- 5.3 In the event that Contract No. 87-SLC-0027 is terminated prior to the end of the calendar day on September 30, 2024, this Contract shall terminate effective with the termination of the Contract No. 87-SLC-0027, unless otherwise provided.
- 5.4 The Contract Rate of Delivery (CROD), as defined in Section 6.2, with associated energy under Contract No. 87-SLC-0027 may be modified prior to October 1, 2024, based upon the terms in Contract No. 87-SLC-0027. If modifications are made to Contract No. 87-SLC-0027, such as reductions, withdrawals, restrictions, limits, penalties, termination, additions, increases, and any other applicable adjustment prior to October 1, 2024, the same modifications shall be made to this Contract and any applicable exhibits and attachments.
- 5.5 If applicable, certain allocation holders identified in Contract No. 87-SLC-0027 have assigned their CROD and associated energy allocations to Contractor, and those assigned allocations are included in this Contract as allowed by the terms of the assignment. If Contract No. 87-SLC-0027 terminates prior to the end of the

calendar day on September 30, 2024, any applicable allocation assignment agreement(s) shall terminate concurrently.

6. DEFINITIONS

For the purposes of this Contract:

- 6.1 Available Hydro Power (AHP) is the maximum amount of hydroelectric capacity and energy that will be made available to the Contractor monthly as determined by WAPA based on prevailing water release conditions and set forth in Exhibit A; Provided, however, that AHP shall not be less than the Contractor's Sustainable Hydro Power.
- 6.2 Contract Rate of Delivery (CROD) is the maximum level of long-term capacity that the Contractor is entitled to receive in each Season as set forth in Section 7 and in Exhibit A of this Contract. The CROD is the Contractor's allocated share of the SLCA Integrated Projects marketing commitment level established for each Season through the term of this Contract. CROD is met first with the Contractor's AHP, and then with Customer Displacement Power or Western Replacement Power, or a combination thereof.

- 6.3 Contractor is a preference customer within the marketing area of the SLCA Integrated Projects. Contractors refers to all SLCA Integrated Projects customers.
- 6.4 Contracting Officer is the officer executing this Contract, a duly appointed successor, or a duly authorized representative.
- 6.5 Customer Displacement Power (CDP) is the amount of supplemental power acquired or generated by the Contractor on its own behalf, or by a third party on behalf of Contractor, which if provided by Contractor under Section 7 may be used, as required, as part of the Contractor's CROD and Monthly Energy within a given period.
- 6.6 Designated Points of Delivery are those points described in Exhibit A where Firm Electric Service furnished by the SLCA Integrated Projects is delivered to the Contractor or to a transmission agent for further delivery to the Contractor.
- 6.7 Firm Electric Service is the firm energy and capacity provided by WAPA at Designated Points of Delivery.
- 6.8 Firming Power is power purchased by WAPA from time-to-time which it determines to be required in order to meet its commitments for AHP and Seasonal SHP Energy.

- 6.9 Long Term Western Replacement Power (Long Term WRP) is the amount of Western Replacement Power that WAPA will purchase for the Contractor for a specified period of at least one (1) year pursuant to Section 7.3 which will be used, as required, as part of the Contractor's CROD and Monthly Energy within the given period.
- 6.10 Monthly Capacity is the maximum quantity of firm capacity expressed in kilowatts (kW) that WAPA is committed to deliver and the Contractor is entitled to receive each month, pursuant to Section 7.8.
- 6.11 Monthly Energy is the maximum quantity of total firm energy expressed in kilowatt-hours (kWh) that WAPA is committed to deliver and the Contractor is entitled to receive each month pursuant to Sections 7.1.3 and 7.8, and as set forth in Exhibit A.
- 6.12 Season or Seasonal is Summer or Winter Season.
- 6.13 Seasonal SHP Energy is the minimum quantity of firm energy expressed in kWh the Contractor is entitled to receive each Season as set forth in Section 7.1.2.
- 6.14 Seasonal Western Replacement Power (Seasonal WRP) is the maximum amount of Western Replacement Power WAPA will purchase for the Contractor during a

Season or shorter period of time, pursuant to Section 7.2, which will be used, as required, as part of the Contractor's CROD and Monthly Energy.

- 6.15 Summer Season is the six (6) month period from the first day of the April billing period through the last day of the September billing period of any calendar year.
- 6.16 Sustainable Hydro Power (SHP) is a level of long-term operable SLCA Integrated Projects hydroelectric capacity with energy, projected at an established risk level and supplemented by WAPA power purchases as may be required from time-to-time due to hydrological conditions, which level shall be fixed and made available to the Contractor each Season through a specified contract period. SHP will be established by WAPA in consultation with the Contractors, and set forth in the attached Exhibit A.
- 6.17 Western Replacement Power (WRP) is the amount of supplemental power requested by the Contractor to be acquired by WAPA on behalf of the Contractor as part of the Contractor's CROD and Monthly Energy within a given period and paid for by the Contractor on a pass-through-cost basis. WRP may also be purchased as Seasonal WRP, as provided for in Section 7.2, or as Long Term WRP, as provided for in Section 7.3.

- 6.18 Winter Season is the six (6) month period from the first day of the October billing period of any calendar year through the last day of the March billing period of the following calendar year.

7. FIRM ELECTRIC SERVICE

- 7.1 WAPA's Energy and Capacity Obligations: WAPA, under the terms and conditions specified herein and within the available capacity of the substation and transmission facilities to deliver the Firm Electric Service at specific Designated Points of Delivery, will furnish Firm Electric Service to the Contractor, up to the mutually agreed upon Monthly Energy and Monthly Capacity set forth in Exhibit A.

- 7.1.1 The Seasonal CROD, SHP, AHP, and Monthly Capacity shall be as set forth in Section 3 of Exhibit A.

- 7.1.2 The Seasonal SHP Energy and Monthly SHP Energy shall be as set forth in Section 4 of Exhibit A.

- 7.1.3 The Monthly Energy available with the CROD shall be the sum of the Contractor's monthly portion of (1) Seasonal SHP Energy or energy associated with AHP, whichever is greater, plus (2) energy associated with WRP, plus (3) energy associated with the CDP as set forth in Exhibit A.

Monthly Energy available with the CROD shall not exceed 100 percent load factor.

7.1.4 If the Seasonal SHP Energy and the CROD are changed due to exchanges of energy and capacity in accordance with Section 8 of the Contract, any such changes will be reflected prior to the beginning of each Season in a revision to Exhibit A.

7.1.5 Should WAPA determine that hydrology projections, operational or other changes, show AHP energy or capacity in sufficient quantities to be made available above that identified as AHP in Exhibit A, WAPA shall first offer said energy or capacity to its Contractors. Appropriate written notification from WAPA will be given to the Contractor.

7.1.6 WAPA may revise the amount of the Contractor's Seasonal SHP Energy or Seasonal CROD as required to respond to changes in hydrology and river operations, upon five (5) years' notice to the Contractor.

7.2 Seasonal WRP: The procedure for acquiring Seasonal WRP is as follows, and the schedule of dates by which the terms of Seasonal WRP are to be complied with are listed in Attachment No. 2.

- 7.2.1 WAPA will notify the Contractor in writing as to what portion of the CROD in the upcoming season will be supplied from AHP. The notification will also provide WAPA's estimated price of purchasing Seasonal WRP for the upcoming Season and any advancement of funds necessary pursuant to Section 7.5. This notice will be in substantially the same form as Attachment No. 1.
- 7.2.2 The Contractor will provide authorization by returning the form to WAPA indicating the amount of Seasonal WRP that it requests WAPA to purchase for the upcoming Season. Such written notice will constitute a commitment by the Contractor to pay its share of WAPA's cost of the Seasonal WRP pursuant to this Section 7.2, except when power is not available per Section 7.2.3. The amount of Seasonal WRP for which notice is provided by the Contractor for a Season may vary by month. Such monthly amounts must be so indicated in the Contractor's notification.
- 7.2.3 Upon receipt of the authorization from the Contractor, pursuant to Section 7.2.2, WAPA will endeavor to purchase the requested Seasonal WRP. If the power is not available for purchase by WAPA under the authorized terms and conditions, WAPA shall notify the Contractor. If the Contractor then chooses to rescind its request for WRP, it must do so promptly in writing.

- 7.2.4 At the beginning of the billing period for each Season, WAPA will notify the Contractor of any revisions to WAPA's estimated price for Seasonal WRP for each month of the Season.
- 7.2.5 WAPA will include in its regular monthly power bill to the Contractor WAPA's cost of providing Seasonal WRP for that month.
- 7.2.6 The costs associated with Seasonal WRP shall reflect additional costs, if any, incurred by WAPA for energy purchased as Seasonal WRP, as compared with the cost WAPA has determined is necessary to support its monthly energy commitments without Seasonal WRP purchases. Such additional costs shall be limited to the net cost of such energy calculated by subtracting from WAPA's total cost of providing the energy (i) the revenues received by WAPA from the sale of such energy, and (ii) if used by WAPA for Firming Power, the estimated cost for such Firming Power that WAPA otherwise would have incurred.
- 7.2.7 If the Contractor has paid in excess of WAPA's actual cost of the Seasonal WRP provided to the Contractor during the Season, WAPA will credit the amount toward payment of the Contractor's next practicable service month power bill unless otherwise mutually agreed. If the Contractor has paid less than WAPA's actual costs of Seasonal WRP accepted by the

Contractor during the Season, WAPA will bill the Contractor for such amount in its next practicable service month power bill unless otherwise mutually agreed. When advanced funds are needed, pursuant to Section 7.5, the provisions in Subsection 7.2.7 shall not be applicable.

7.3 Long Term WRP: The procedure for acquiring Long Term WRP is as follows, and the schedule of dates by which the terms of Long Term WRP are to be met is listed in Attachment No. 3.

7.3.1 WAPA will notify the Contractor as to what portion of the Contractor's CROD is expected to be supplied from AHP for the remainder of the Contract.

7.3.2 If the Contractor is interested in acquiring Long Term WRP, the Contractor will notify WAPA of the amount of Long Term WRP desired, the period of time for which the Contractor is willing to commit to purchase that amount, and the maximum price that the Contractor would be willing to have WAPA pay to purchase Long Term WRP. These will be used by WAPA in soliciting and evaluating potential power purchase options and will limit any obligation of WAPA to provide Long Term WRP.

- 7.3.3 After receipt of the notice(s) referenced in Section 7.3.2, WAPA shall request proposals from power suppliers for power to supply the request(s) for Long Term WRP.
- 7.3.4 Once WAPA receives and evaluates proposals from suppliers, WAPA shall inform the Contractor of the length of commitment, terms, and conditions, including adequacy of transmission, under which Long Term WRP is available. WAPA will also notify the Contractor of any advancement of funds needed pursuant to Section 7.5.
- 7.3.5 The Contractor shall provide written authorization to WAPA to contract for the Long Term WRP under the specified terms and conditions. Such written authorization will constitute a commitment by the Contractor to pay its share of the cost of the Long Term WRP under the terms and conditions specified.
- 7.3.6 Only upon receipt of written authorization from the Contractor will WAPA pursue purchasing Long Term WRP for the Contractor. If the power is not available for purchase by WAPA under the authorized terms and conditions, WAPA will notify the Contractor of the changes. If the Contractor then chooses to rescind its request for Long Term WRP, it must do so promptly in writing. Service shall normally begin on the first day of the next Season.

- 7.3.7 The Contractor may commit to more than one Long Term WRP arrangement; Provided, That its request for Long Term WRP, when combined with the Contractor's SHP, other WRP commitments and CDP commitments, shall not exceed the Contractor's CROD, or 100 percent load factor of the CROD.
- 7.3.8 WAPA will include in its regular monthly power bill to the Contractor WAPA's cost of Long Term WRP for that month. The cost will be calculated by placing WAPA's total Long Term WRP costs into a cost pool for each term of commitment of Long Term WRP, and then prorating the costs to the Contractor in proportion to its share of Long Term WRP in that pool.
- 7.3.9 Determination of WAPA's actual costs for Long Term WRP and excess or deficient payments by the Contractor for Long Term WRP will be made at the end of WAPA's fiscal year. If the Contractor has paid in excess of WAPA's actual costs of the Long Term WRP, WAPA will reflect such excess amount in a credit to the Contractor's amount of payment to be made in the next practicable service month power bill, unless otherwise mutually agreed. If the Contractor has paid less than WAPA's actual costs of Long Term WRP, WAPA will bill such deficiency to the Contractor in its next practicable service month power bill, unless otherwise mutually

agreed. When advanced funds are needed, pursuant to Section 7.5, these provisions in Subsection 7.3.9 shall not be applicable.

7.3.10 If requested by the Contractor, WAPA shall attempt to sell any energy associated with Long Term WRP that is in excess of the Contractor's needs. If WAPA sells such energy, WAPA shall credit the Contractor's charges for Long Term WRP by any revenues obtained, less WAPA's costs, if any, to provide this service.

7.4 Cost of Providing WRP: WAPA's cost of providing WRP shall not be included in the capacity and energy rates charged to the Contractor under the SLCA Integrated Projects Firm Power Rate Schedule.

7.5 Advancement of Funds

7.5.1 WAPA may make purchases of WRP from the funds it has available. In the event that WAPA does not have sufficient funds to make WRP purchases, the Contractor will provide its pro-rata share of funds in advance for WAPA's use in purchasing WRP on the Contractor's behalf. The notice provided to the Contractor by WAPA pursuant to Sections 7.2.1 and 7.3.4 will notify the Contractor as to its pro-rata share, if an advance is needed. The Contractor shall submit the advanced funds to WAPA with the written authorization pursuant to Sections 7.2.2 or

7.3.5. Advanced funds will be credited to a separate account and will be held by WAPA for the Contractor to be used solely for purchases of WRP. When advanced funds are needed, Sections 7.2.7 and 7.3.9 shall not be applicable. The amounts advanced will be determined according to the following criteria:

7.5.1.1 For Seasonal WRP, the Contractor will advance an amount equal to (i) one third of the estimated cost of Seasonal WRP to be purchased by WAPA on behalf of the Contractor in the upcoming Season, less (ii) the amount, if any, held by WAPA for purchases of Seasonal WRP on behalf of the Contractor for the current Season; Provided, That if the amount held by WAPA for the current Season is greater than the amount required for the upcoming Season, the difference will either be refunded to the Contractor after the current Season or, at the Contractor's option, be reflected as a credit in the Contractor's next power bill.

7.5.1.2 If the Contractor fails to advance WAPA sufficient funds for Seasonal WRP in accordance with the amounts and schedules set forth in Sections 7.5.1.1, WAPA will not purchase Seasonal WRP on the Contractor's behalf for that upcoming Season.

7.5.1.3 For Long Term WRP, the Contractor will advance an amount equal to (i) the next two (2) months of the estimated cost of the Long Term WRP to be purchased by WAPA on behalf of the Contractor, less, (ii) the amount, if any, then held by WAPA for purchases of Long Term WRP on behalf of the Contractor; Provided, That if the amount then held by WAPA is greater than the amount required for the next two (2) months, the difference will either be refunded to the Contractor by WAPA or at the Contractor's option, be reflected as a credit in the Contractor's next power bill.

7.5.1.4 Upon termination of the Contract, any funds advanced by the Contractor that are still held by WAPA and are in excess of amounts owed to WAPA will be refunded to the Contractor.

7.6 Customer Displacement Power: The procedure for acquiring CDP is as follows, and the schedule of dates by which the terms of CDP are to be met are listed in Attachment No. 4.

7.6.1 The Contractor may, individually or in association with other Contractors of the SLCA Integrated Projects, furnish written notice to WAPA that it wishes to provide to WAPA, for delivery to the Contractor, CDP for a portion or all of the power above AHP and WRP up to the CROD and for

which it has not otherwise provided notification for Seasonal WRP or Long Term WRP in accordance with the notification guidelines set forth in Section 7.2 or 7.3. CDP may only be accepted in time periods offered for Seasonal or Long Term WRP.

- 7.6.2 The Contractor will furnish with its notification to provide CDP pursuant to Section 7.6.1, information regarding the source and point of receipt of power, the amount of power to be provided, the initial month of delivery, the commitment length, the designation of the scheduling entity, and any prescheduling and scheduling requirements and restrictions. WAPA will determine its ability to deliver this CDP in accordance with Section 7.7.3.
- 7.6.3 The Contractor may request a change or modification to the source(s) or conditions of CDP at any time prior to or during a Season upon written notification to WAPA's appropriate scheduling office. WAPA shall make its best efforts to expedite its determination of its ability to accept this CDP for delivery to the Contractor and shall so notify the Contractor, in writing, of its determination as soon as possible. However, WAPA shall have the sole determination of its ability to accept this CDP under the new conditions.

7.6.4 Any portion of CDP not supplied pursuant to Section 7.6.1 will be deemed to be supplied pursuant to this Section 7.6. WAPA will not be responsible for firming CDP purchases made by the Contractor.

7.7 Transmission Provisions

7.7.1 Reserved Firm Capacity (RFC) in the CRSP transmission system will be maintained by WAPA to deliver the Contractor's CROD, to meet other firm transmission and firm exchange commitments, and to serve loads solely dependent upon transmission service on WAPA's system. The Contractor's AHP, WRP, and CDP, where CDP has been accepted by WAPA pursuant to Section 7.6.2, will be treated as firm deliveries up to the Contractor's CROD. Procedures for management of curtailments shall be contained in Scheduling, Accounting, and Billing Procedures (SABPs), as referenced in Section 10, jointly developed and executed by both Parties.

7.7.2 To the extent that actual AHP, combined with the sum of contractual commitments by the Contractor for purchase of Long Term WRP, Seasonal WRP, and CDP, result in capacity greater than the Contractor's CROD, it is the Contractor's responsibility to arrange for transmission and delivery of any Long Term WRP, Seasonal WRP, and CDP in excess of the Contractor's CROD. Additionally, the Contractor shall independently

arrange for delivery to itself of all CDP over and above CDP accepted by WAPA for delivery to the Contractor pursuant to Section 7.6.

7.7.3 Pursuant to the CRSP Joint Planning Agreement Principles No. 96-SLC-0315, as may be amended, WAPA shall engage in a consultative process with the Contractors for determination of (i) the transmission capacity of the existing CRSP transmission system and any modification or additions thereto, (ii) the capacity in the system needed to meet the RFC requirement of Section 7.7.1, and (iii) any remaining available transmission capacity that could be made available for other firm transmission purposes.

7.7.3.1 Determination of transmission availability among competing new requests for WRP and CDP will be based, among other things, on the length of the commitment, i.e., for the upcoming Season or in increments offered by WAPA for Long Term WRP, with requests of longer commitment lengths being given higher priority. Prior to the beginning of Long Term WRP, as established in Section 7.3 of this Contract, the maximum commitment length for WRP and CDP will be the upcoming Season.

7.7.3.2 For requests of WRP and CDP of equal commitment length, WRP and CDP will share current RFC pro-rata when such concurrent

requests exceed estimated RFC. Prior to the first Long Term WRP commitment date, as established in Section 7.3 of this Contract, requests received through the date of the Contractor's notice for Seasonal WRP will be considered as being received concurrent for the upcoming Season. Subsequent to the first commitment date for Long Term WRP, requests for CDP will be considered as outlined in Attachment No. 4.

7.7.3.3 The commitment length for CDP can be no longer than the Contractor's purchase commitment to the resource designated at WAPA's point of receipt.

- 7.8 Monthly Commitments: At least sixty (60) days before the beginning of each Season, the Contractor and the Contracting Officer shall establish the Monthly Energy and Monthly Capacity for the upcoming Season at each Designated Point of Delivery; Provided, however, that Monthly Capacity in any month may not exceed the Contractor's CROD as set forth in Section 7.1.1. The Monthly Energy and Monthly Capacity will be set forth in Exhibit A. Energy or capacity may not be transferred from month to month without revision to Exhibit A.
- 7.9 Minimum Hourly Delivery: The Minimum Hourly Delivery shall be 35 percent of the total of the Contractor's CROD, or the Contractor's total load, whichever is less, or as otherwise set forth in Exhibit A. Upon request of the Contractor, the

requirement for a Minimum Hourly Delivery may be waived by WAPA, if operating conditions permit. At no greater than 2-year intervals, WAPA, in consultation with its Contractors, shall reevaluate, and may revise, the minimum hourly delivery. Such revision will be reflected in a revised Exhibit A.

- 7.10 Operating Reserves: WAPA is able to provide operating reserves for the Contractor for AHP. To the extent that the Contractor's CDP or WRP from a third-party purchase includes the provision of operating reserves, WAPA shall allow the Contractor to claim such reserves from any unscheduled portion of CDP or WRP.
- 7.11 Designated Point(s) of Delivery and Voltages: Firm Electric Service furnished by WAPA to the Contractor will be delivered at the point(s) and voltage(s) set forth in Exhibit A. Charges and losses will be established as follows: (i) any transmission costs and associated losses incurred in the delivery of AHP to the Designated Points(s) of Delivery described in Exhibit A shall be the responsibility of WAPA, (ii) losses in the delivery of WRP and/or CDP shall be the responsibility of the Contractor, and (iii) any transmission costs and associated losses in the delivery of Firm Electric Service beyond the Designated Point(s) of Delivery shall be the responsibility of the Contractor.
- 7.12 Metering: The point(s) of measurement, metering voltage(s), and ownership of metering equipment shall be set forth in the SABPs entered into pursuant to

Section 10 hereof. Insofar as the Firm Electric Service delivered hereunder may be measured at point(s) and/or voltage(s) other than the Designated Point(s) of Delivery, the measured amount(s) may be adjusted for losses between the Designated Point(s) of Delivery and the point(s) of measurement as set forth in said SABPs.

- 7.13 Transmission Agent: Electric service provided to the Contractor at the Designated Point(s) of Delivery listed in Exhibit A may be supplied over the facilities of Public Service Company of New Mexico under the terms and conditions provided in Contract No. 8-07-40-P0695 and Contract No. 14-06-400-2425 as amended or extended from time-to-time, or under the terms and conditions of any contract(s) that may supersede or succeed said contract(s). Upon termination of Contract No. 8-07-40-P0695 and Contract No. 14-06-400-2425, the Designated Point(s) of Delivery will be Four Corners 345-kV, or another CRSP-owned Point(s) of Delivery as determined by the Contracting Officer in consultation with the Contractor, unless alternative arrangements are made between WAPA and the Contractor.

7.14 Firming Power

- 7.14.1 In the event that actual power produced by SLCA Integrated Projects generation is inadequate to meet AHP or Seasonal SHP Energy as set forth in Exhibit A, WAPA will purchase Firming Power required to meet any

shortfall. The cost of such Firming Power purchases, as well as revenues from any associated short term power sales, shall be included in the capacity and energy rates charged to the Contractor under the then-current SLCA Integrated Projects Firm Power Rate Schedule.

7.14.2 Any expenses deemed non-reimbursable pursuant to Section 1807 of the Grand Canyon Protection Act of 1992, Pub. L. 102-575, shall be treated as non-reimbursable expenses.

8. EXCHANGE OF ENERGY AND CAPACITY

In order to optimize use of SLCA Integrated Projects' resources, WAPA will consider, subject to the conditions set forth herein, an exchange of energy and/or capacity between Contractors. If the Contractor desires an exchange of energy and/or capacity, it must submit a request sixty (60) days prior to the anticipated effective date of the exchange of energy and/or capacity. WAPA will then review requests on the basis of its operational requirements. If operational requirements permit, requesting Contractors will be offered a letter agreement, for an exchange of energy and/or capacity. The Contractor will return the signed letter agreement accepting the proposed exchange. The Seasonal Energy and the Contract Rates of Delivery will then be increased or decreased, as necessary, in a revision to Exhibit A. Any exchange of energy and/or capacity is at the discretion of WAPA, and WAPA may elect to not facilitate an exchange. In the event WAPA does facilitate an exchange, the exchange is for the approved period only, and at the end of that

approved period the Contractor's Seasonal Energy and Contract Rates of Delivery will revert to those amounts set forth in Section 7.1.

9. SCHEDULE OF RATES

The Contractor shall pay WAPA for the Firm Electric Service furnished hereunder in accordance with rates, charges, and conditions set forth in the General Power Contract Provisions (GPCPs) dated as of September 1, 2007, and in applicable Rate Schedule, both attached hereto and made a part hereof, or any superseding rate schedules.

10. SCHEDULING, ACCOUNTING, AND BILLING PROCEDURES

10.1 Written SABPs, shall be developed and agreed upon by the authorized representatives of the Parties before the date of initial service under this Contract. The SABPs are intended to implement the terms of this Contract but not to modify or amend it and are, therefore, subordinate to this Contract. Revisions to the SABPs may be needed to meet operational requirements and such revisions shall be made in accordance with Section 10.3. Any revisions to the SABPs shall be developed in consultation with the Contractor.

10.2 Deliveries of Firm Electric Service hereunder may be scheduled in advance as determined by the Contracting Officer, on an hourly basis, emergencies excepted, and accounted for on the basis of such advance schedules, all in accordance with SABPs agreed upon in advance between the authorized representatives. Said SABPs will specify the conditions under which inadvertent deliveries, which are greater or less than scheduled deliveries, shall be corrected in later deliveries. If operating conditions warrant and WAPA so notifies the Contractor, WAPA may,

at its option, revise the Contractor's schedule or request the Contractor to schedule its resources from the SLCA Integrated Projects to approximate normal hourly and/or daily load patterns to avoid abrupt changes in water releases and generation levels or other undesirable results. The Contractor will initiate hourly scheduling within ninety (90) days of a request by WAPA.

- 10.3 In the event the Contractor fails or refuses to execute the initial SABPs or any revised SABPs which WAPA determines to be necessary due to changes in this Contract or the power system of either Party, WAPA will temporarily implement essential procedures as determined by WAPA until mutually acceptable SABPs have been developed and executed by the authorized representatives.

11. POWER FACTOR

- 11.1 The Contractor will be expected to maintain the power factor specified in the attached rate schedule or the GPCPs. If the power factor requirements under applicable rate schedule(s) and the GPCPs are not the same, the more stringent requirement will apply.
- 11.2 If the applicable power factor standard is not complied with, WAPA may, after giving the Contractor ninety (90) days' written notice to correct the condition or such additional time as warranted by circumstances, make delivery system improvements associated with power factor correction at the Contractor's expense

to WAPA's system or to the system used by the Contractor with the agreement of the Contractor and/or Third Party Service Provider. If WAPA is required to pay for delivery system improvements associated with power factor correction on the systems of its transmission agents, which are attributable to conditions on the system used by the Contractor, the Contractor shall pay for the cost of such improvements.

12. INTEGRATED RESOURCE PLANS AND SMALL CUSTOMER PLANS

12.1 The Contractor shall comply with the Integrated Resource Plan (IRP) or Small Customer Plan requirements, as applicable, in accordance with the Program. If the Contractor submits an IRP with a State or Tribal regulatory body, that same plan may be submitted to WAPA for approval in meeting the IRP or Small Customer Plan requirements.

12.2 WAPA shall administer the IRP or Small Customer Plan requirements, as applicable, in accordance with the Program.

12.3 Failure to comply with the IRP or Small Customer Plan requirements, after exhaustion of all appeals, will result in the application of penalties as specified in the Program.

12.4 In the event that WAPA, or any successor agency, shall promulgate changes to the IRP portion of the Program following its initial adoption as published in the Federal Register at 60 FR 54151 (October 20, 1995), the Contractor, by written notice to the Contracting Officer within ninety (90) days after the effective date of a Program change, may elect to terminate this Contract. The termination shall be effective one (1) year from the date of receipt of the notice by WAPA.

13. ENVIRONMENTAL ATTRIBUTES

WAPA shall allocate to the Contractor available environmental attributes, such as renewable energy credits/certificates (RECs), that exist from SLCA Integrated Projects hydroelectric generation. Environmental attributes are considered bundled with the energy (kWh) allocation, and the Contractor has the right, but not the obligation, to take title and ownership to its proportionate share based upon its energy allocation set forth in Section 7.1.

14. GENERAL POWER CONTRACT PROVISIONS

The GPCPs effective September 1, 2007, attached hereto, are hereby made a part of this Contract the same as if they had been expressly set forth herein; Provided, That Articles 1.2 and 20 through 30, shall not apply or be incorporated herein; Provided, That Contractor transactions utilizing capacity and/or energy under this Contract with an entity or entities that coordinate, control, monitor, or support operation of the bulk electric system, or act as a marketplace operator of wholesale power, or procure products or service on behalf of any such entity, including but not limited to independent system

operators, regional system operators, transmission organizations, balancing authorities, or successor organizations associated with the Contractor's load shall not be considered a sale for resale.

Contractor is a political subdivision of the State of New Mexico ("State") and is organized and created under and by virtue of the laws of the State. Contractor's authority under the Contract is governed by the laws of the State, which impose certain limitations on the obligations of Contractor under this Contract. The Parties agree that this Contract will be governed by Federal law to the extent it is applicable; otherwise the laws of the State of New Mexico would govern, without giving effect to any conflict of laws rules.

15. CREDITWORTHINESS

The WAPA Creditworthiness Procedures effective September 1, 2017, attached hereto, are hereby made a part of this Contract the same as if they had been expressly set forth herein.

16. REVIEW OF FINANCIAL AND WORK PROGRAM DATA

Letter Agreement No. 92-SLC-0208 dated September 24, 1992, as supplemented, or any superseding agreement, among the Salt Lake City Area Office of WAPA, the Upper Colorado Region of the Bureau of Reclamation, and Colorado River Energy Distributors Association provides for implementation of the Statement of Principles and Joint Procedures for Contractor review of financial and work program data relating to rates of the SLCA Integrated Projects. This Letter Agreement and supplement are attached

hereto as Attachment No. 5, and incorporated into this Contract and implemented as provided for therein.

17. EXHIBITS AND AMENDMENTS

Inasmuch as certain provisions of this Contract may change during the term hereof, they will be set forth in exhibits from time-to-time agreed upon by the authorized representatives of the Parties. The initial Exhibit A, and all future exhibits shall be attached hereto and made a part hereof, and each shall be in force and effect in accordance with its terms unless superseded by a subsequent exhibit. This Contract may be amended or modified only by an amendment or modification duly executed by the Parties.

18. AUTHORIZED REPRESENTATIVES OF THE PARTIES

Each Party shall, by written notice to the other, designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained herein which are the functions and responsibilities of its authorized representative(s). Either Party may change the designation of its authorized representative(s) upon written notice.

19. AUTHORITY TO EXECUTE

The Preamble and Explanatory Recitals of this Contract are incorporated by reference herein. Each individual signing this Contract certifies that the Party represented has duly authorized such individual to execute this Contract that binds and obligates the Party.

IN WITNESS WHEREOF, The Parties hereto have caused this Contract to be duly executed the day and year first written above.

U.S. DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By: _____

Title: _____

Address: CRSP Management Center

299 South Main Street, Suite 200

Salt Lake City, UT 84111

LOS ALAMOS COUNTY

By: _____

Title: _____

Address: _____

EXHIBIT A

POINTS OF DELIVERY, VOLTAGES, AND DELIVERY OBLIGATIONS

1. This Exhibit A is made this ____ day of _____, 20__, to be effective October 1, 2024, under and as part of Contract No. 17-SLC-0896, dated _____, hereinafter called the “Contract,” and shall remain in effect until superseded by another Exhibit A in accordance with the provisions of the Contract; Provided, That this Exhibit A or any superseding Exhibit A shall be terminated by the expiration of the Contract.

2. Point(s) of Delivery and Voltages: SLCA Integrated Projects firm energy and capacity will be delivered pursuant to the Contract at the point(s) of delivery and voltages listed below.

<u>Point(s) of Delivery</u>	<u>Nominal Voltage (kV)</u>
Los Alamos	115-kV

3. Contract Rate of Delivery (CROD), Sustainable Hydro Power (SHP), Available Hydro Power (AHP), and Monthly Capacity
 - 3.1 SLCA Integrated Projects Monthly Capacity, in kilowatts (kW), will be delivered pursuant to the Contract in the quantities listed in the Attachment to Exhibit A, Capacity and Energy Table below. Capacity available to the Contractor from

hydro power shall be the greater of SHP or AHP. Total Monthly Capacity shall be the sum of: (1) the greater of SHP or AHP; and (2) WRP and CDP.

- 3.2 Except as modified by Section 7.1.4 and/or 7.1.6 of the Contract, the Seasonal CROD shall be as follows:

Winter Season	1,459 kW
Summer Season	982 kW

4. Seasonal SHP Energy and Monthly SHP Energy

- 4.1 SLCA Integrated Projects firm energy, in kilowatt-hours (kWh) will be delivered pursuant to the Contract in the quantities listed in the Attachment to Exhibit A, Monthly Capacity and Energy Table below, at the monthly energy amount applicable to that billing period. Energy may not be transferred from month to month without revision to the Attachment to this Exhibit A.

- 4.2 Except as modified by Section 7.1.4 and/or 7.1.6 of the Contract, the Seasonal SHP Energy shall be as follows:

Winter Season	3,027,772 kWh
Summer Season	2,070,112 kWh

5. Attachment to Exhibit A, Monthly Capacity and Energy Table (Attachment): The Attachment may be revised from time-to-time by mutual agreement of the Parties as evidenced by signed concurrence to the revision.

IN WITNESS WHEREOF, the Parties hereto have caused this Exhibit A to be duly executed the day and year first written above.

U.S. DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By: _____

Title: _____

Address: CRSP Management Center

299 South Main Street, Suite 200

Salt Lake City, UT 84111

LOS ALAMOS COUNTY

By: _____

Title: _____

Address: _____

Los Alamos County, NM
Contract No. 87-SLC-0027

Year: 2018-2019

CAPACITY (KW)

	CROD	SHP	AHP	Minimum*	CDP**
October	1,459	777	777	283	
November	1,459	815	815	275	
December	1,459	914	914	293	
January	1,459	908	908	334	
February	1,459	895	895	341	
March	1,459	801	801	327	

ENERGY (KWH)

	SHP	AHP	WRP On Peak (kWh)	WRP Off Peak (kWh)	WRP Total (Not to Exceed)
October	481,191	481,191			(604,305)
November	501,113	501,113			(549,367)
December	583,866	583,866			(501,630)
January	518,736	518,736			(566,760)
February	461,269	461,269			(519,179)
March	481,597	481,597			(603,899)

*Minimum Capacity is the minimum to be scheduled in any hour. The minimum is calculated monthly, based on anticipated generation and water release patterns.

**Minimum Capacity allocations for October, November, December, January, February, and March are estimates and may be subject to change.

WRP Spot Market Yes ☐ No ☐

**CDP customers shall provide the transmission path that they are requesting capacity on: _____

CDP Capacity available is the difference between **SHP/AHP Capacity and the **CROD** in any hour.

Customer and Western agree to the SHP/AHP Capacity and SHP/AHP Energy, and WRP/CDP, as shown above.

Customer Concurrence: _____

Western Concurrence: _____

Los Alamos County, NM
Contract No. 87-SLC-0027

Year: 2017

CAPACITY (KW)

	CROD	SHP	AHP	Minimum*	CDP**
April	982	530	530	238	
May	982	469	469	339	
June	982	485	485	344	
July	982	558	558	344	
August	982	538	538	344	
September	982	471	471	262	

ENERGY (KWH)

	SHP	AHP	WRP On Peak (kWh)	WRP Off Peak (kWh)	WRP Total (Not to Exceed)
April	350,932	350,932			(356,108)
May	343,270	343,270			(387,338)
June	340,205	340,205			(366,835)
July	357,828	357,828			(372,780)
August	339,439	339,439			(391,169)
September	338,438	338,438			(368,602)

*Minimum Capacity is the minimum to be scheduled in any hour. The minimum is calculated monthly, based on anticipated generation and water release patterns.

**Minimum Capacity allocations for April, May, June, July, August and September are estimates and may be subject to change.

WRP Spot Market Yes ☐ No ☐

**CDP customers shall provide the transmission path that they are requesting capacity on: _____

CDP Capacity available is the difference between **SHP/AHP Capacity and the **CROD** in any hour.

Customer and Western agree to the SHP/AHP Capacity and SHP/AHP Energy, and WRP/CDP, as shown above.

Customer Concurrence: _____

Western Concurrence: _____

Salt Lake City Area Integrated Projects Power Sales Rate History

Rate Schedule	Effective Dates	Energy (Mills/kWh)	Capacity (\$/kW-mo.)	Combined (Mills/kWh) 1/	Composite (Mills/kWh) 2/
SLIP-F1	10/87-9/90	5	\$2.09	9.92	-
SLIP-F2	10/90-11/91	7.25	\$3.08	14.5	-
SLIP-F3	12/91-9/92	8.1	\$3.44	16.2	-
SLIP-F4	10/92-9/94	8.4	\$3.54	16.72	-
SLIP-F5	12/94-4/98	8.9	\$3.83	-	20.17
SLIP-F6	4/98-9/02	8.1	\$3.44	-	17.57
SLIP-F7	10/02-9/06	9.5	\$4.04	-	20.72
SLIP-F8	10/06-9/08	10.43	\$4.43	-	25.28
SLIP-F9 (1st Step)	10/08-9/09	11.06	\$4.70	-	26.8
SLIP-F9 (2nd Step)	10/09-9/15	12.19	\$5.18	-	29.62
SLIP-F10	10/15-Present	12.19	\$5.18		29.42

The Salt Lake City Area Integrated Projects is a combination of resources from the Collbran, CRSP, and Rio Grande Projects.

1/ Combined rates are calculated with a load factor which is assumed to be constant over a given period. In the SLCA/IP, the load factor is considered to be 58.2 percent.

2/ Composite Rates are calculated by dividing the required revenue by the amount of energy sold. This methodology works independently of the load factor of the sales.

Updated: 4/1/2016

Rate Schedule SLIP-F10
(Supersedes Schedule SLIP-F9)

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
SALT LAKE CITY AREA INTEGRATED PROJECTS**

**SCHEDULE OF RATES FOR FIRM POWER SERVICE
(Approved Under Rate Order No. WAPA-169)**

Effective:

Rate Schedule SLIP-F10 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after October 1, 2015, and will remain in effect until FERC confirms, approves, and places the rate schedules in effect on a final basis through September 30, 2020, or until the rate schedules are superseded.

Available:

In the area served by the Salt Lake City Area Integrated Projects.

Applicable:

To the wholesale power customer for firm power service supplied through one meter at one point of delivery or as otherwise established by contract.

Character:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

DEMAND CHARGE: \$5.18 per kilowatt of billing demand.

ENERGY CHARGE: 12.19 mills per kilowatthour of use.

COST RECOVERY CHARGE:

To adequately recover and maintain a sufficient balance in the Basin Fund, Western uses a cost recovery mechanism, called a Cost Recovery Charge (CRC). The CRC is a charge on all SHP energy.

This charge will be recalculated before May 1 of each year, and Western will provide notification to the customers. The charge, if needed, will be placed into effect on the first day of the first full-billing period beginning on or after October 1, 2015, through September 30, 2020. If a Shortage Criteria is necessary, the CRC will be re-calculated at that time. (See Shortage Criteria Trigger explanation below.) The CRC will be calculated as follows:

**WESTERN HAS THE DISCRETION TO IMPLEMENT A CRC BASED ON
THE TIERS BELOW.**

TABLE: CRC Tiers

Tier	Criteria, If the BFBB is:	Review
i	Greater than \$150 million, with an expected decrease to below \$75 million	Annually
ii	Less than \$150 million but greater than \$120 million, with an expected 50-percent decrease in the next FY	
iii	Less than \$120 million but greater than \$90 million, with an expected 40-percent decrease in the next FY	
iv	Less than \$90 million but greater than \$60 million, with an expected 25-percent decrease in the next FY	Semi-Annual (May / November)
v	Less than \$60 million but greater than \$40 million with an expected decrease to below \$40 million in the next FY	Monthly

TABLE: SAMPLE CRC CALCULATION

		Description	Example	Formula
STEP ONE	Determine the Net Balance available in the Basin Fund.			
	BFBB	Basin Fund Beginning Balance (\$)	\$ 85,860,265	Financial forecast
	BFTB	Basin Fund Target Balance (\$)	\$ 64,395,199	BFBB – (Tier % *BFBB), or BFTB for Tier i and Tier v ¹
	PAR	Projected Annual Revenue (\$) w/o CRC	\$ 232,780,000	Financial forecast
	PAE	Projected Annual Expenses (\$)	\$ 226,649,066	Financial forecast
	NR	Net Revenue (\$)	\$ 6,130,934	PAR - PAE
	NB	Net Balance (\$)	\$ 91,991,199	BFBB + NR
STEP TWO	Determine the Forecasted Energy Purchase Expenses.			
	EA	SHP Energy Allocation (GWh)	4,952	Customer contracts
	HE	Forecasted Hydro Energy (GWh)	4,924	Hydrologic & generation forecast
	FE	Forecasted Energy Purchase (GWh)	504	EA – HE or anticipated
	FFC	Forecasted Average Energy Price per MWh (\$)	\$ 34.23	From commercially available price indices
	FX	Forecasted Energy Purchase Expense (\$)	\$ 17,262,512	FE * FFC *1000
STEP THREE	Determine the amount of Funds Available for firming energy purchases, and then determine additional revenue to be recovered. The following two formulas will be used to determine FA; the lesser of the two will be used.			
	FA1	Basin Fund Balance Factor (\$)	\$ 17,262,512	If (NB>BFBB,FX,FX -(BFTB - NB))
	FA2	Revenue Factor (\$)	\$ 17,262,512	If (NR>-(BFBB-BFTB), FX, FX+NR +(BFBB-BFTB))
	FA	Funds Available (\$)	\$ 17,262,512	Lesser of FA1 or FA2 (not less than \$0)
	FARR	Additional Revenue to be Recovered (\$)	\$ 0	FX - FA
STEP FOUR	Once the FA for purchases have been determined, the CRC can be calculated, and the WL can be determined.			
	WL	Waiver Level (GWh)	5428	If (EA<HE,EA,HE+(FE*(FA/FX))), but not less than HE
	WLP	Waiver Level Percentage of Full SHP	110%	WL/EA*100
	CRCE	CRC Energy (GWh)	0	EA - WL
	CRCEP	CRC Energy Percentage of Full SHP	0%	CRCE/EA*100
	CRC	Cost Recovery Charge (mills/kWh)	0	FARR/(EA*1,000)

Notes: 1- Use CRC Tiers Table to calculate applicable value

Narrative CRC Example

STEP ONE: Determine the net balance available in the Basin Fund.

BFBB – Western will forecast the Basin Fund Beginning Balance for the next FY.

$$\mathbf{BFBB = \$85,860,265}$$

BFTB – The Basin Fund Target Balance is based on the applicable tiered percentage, or minimum value, of the Basin Fund Beginning Balance derived from the **CRC Tiers** table with a minimum BFTB set at \$40 million.

$$\mathbf{BFTB = BFBB \text{ less } 25 \text{ percent, see Tier iv (BFBB < 90 million, BFBB > 60 million)}}$$

$$= \$85,860,265 - \$21,464,066$$

$$\mathbf{= \$64,395,199}$$

PAR – Projected Annual Revenue is Western’s estimate of revenue for the next FY.

$$\mathbf{PAR= \$232,780,000}$$

PAE – Projected Annual Expenses is Western’s estimate of expenses for the next FY. The PAE includes all expenses plus non-reimbursable expenses, which are capped at \$27 million per year plus an inflation factor. **This limitation is for CRC formula calculation purposes only, and is not a cap on actual non-reimbursable expenses.**

$$\mathbf{PAE = \$226,649,066}$$

NR – Net Revenue equals revenues minus expenses.

$$\mathbf{NR = PAR - PAE}$$

$$= \$232,780,000 - \$226,649,066$$

$$\mathbf{= \$6,130,934}$$

NB – Net Balance is the Basin Fund Beginning Balance plus net revenue.

$$\text{NB} = \text{BFBB} + \text{NR}$$

$$= \$85,860,265 + \$6,130,934$$

$$= \$91,991,199$$

STEP TWO: Determine the forecasted energy purchases expenses.

EA – The Sustainable Hydro Power Energy Allocation (from Customer contracts). This does not include Project Use customers.

$$\text{EA} = 4,952 \text{ (GWh)}$$

HE – Western’s forecast of Hydro Energy available during the next FY developed from Reclamation’s April, 24-month study.

$$\text{HE} = 4,924 \text{ (GWh)}$$

FE – Forecasted Energy purchases are the difference between the Sustainable Hydro Power allocation and the forecasted hydro energy available for the next FY or the anticipated firming purchases for the next year.

$$\text{FE} = \text{EA} - \text{HE or anticipated purchases}$$

$$= 504.33 \text{ (GWh, anticipated)}$$

FFC - The forecasted energy price for the next FY per MWh.

$$\text{FFC} = \$34.23 \text{ per MWh}$$

FX – Forecasted energy purchase power expenses based on the current year’s, April, 24-month study, representing an estimate of the total costs of firming purchases for the coming FY.

$$FX = FE * FFC * 1000$$

$$= 504.33 * \$34.23 * 1000$$

$$= \$17,263,215.90$$

STEP THREE: Determine the amount of Funds Available (FA) to expend on firming energy purchases and then determine additional revenue to be recovered (FARR). The following two formulas will be used to determine FA; the lesser of the two will be used. Funds available shall not be less than zero.

A. Basin Fund Balance Factor (FA1)

If the Net Balance is greater than the Basin Fund Target Balance, use the value for forecasted energy purchase power expenses (FX). If the net balance is less than the Basin Fund Target Balance, reduce the value of the Forecasted Energy Purchase Power Expenses by the difference between the Basin Fund Target Balance and the Net Balance.

$$FA1 = \text{If } (NB > BFTB, FX, FX - (BFTB - NB))$$

$$= \$91,991,199 \text{ (NB) is greater than } \$64,395,199 \text{ (BFTB) then:}$$

$$= \$17,263,215.90 \text{ (FX)}$$

If the Net Balance is greater than the Basin Fund Target Balance, then **FA1=FX**.

If the Net Balance is less than the Basin Fund Target Balance, then **FA1=FX-(BFTB-NB)**.

B. Basin Fund Revenue Factor (FA2)

The second factor ensures that Western collects sufficient funds to meet the Basin Fund Target Balance so long as the amount needed does not exceed the forecasted purchase expense (FX):

In the situation when there is no projected revenue:

$$\mathbf{FA2} = \text{If } (NR > -(BFBB - BFTB), FX, FX + NR + (BFBB - BFTB))$$

$$= \$6,130,934 (NR) \text{ is greater than } (\$21,464,066) \text{ then:}$$

$$= \$17,263,215.90 (FX)$$

If the Net Revenue (loss) value does not result in a loss that exceeds the allowable decrease value of the Basin Fund Beginning Balance $(-(BFBB - BFTB))$, then **FA2=FX**.

If the Net Revenue (loss) results in a loss that exceeds the allowable decrease value of the Basin Fund Beginning Balance $(-(BFBB - BFTB))$, then **FX + NR + (BFBB - BFTB)**.

FA – Determine the funds available for purchasing firming energy by using the lesser of FA1 and FA2.

FA1 and FA2 are equal, so:

$$\mathbf{FA} = \$17,263,215.90 (FX)$$

FARR – Calculate the additional revenue to be recovered by subtracting the Funds Available from the forecasted energy purchase power expenses.

$$\mathbf{FARR} = FX - FA$$

$$= \$17,263,215.90 (FX) - \$17,263,215.90 (FA)$$

$$= \$ 0.00$$

STEP FOUR: Once the funds available for purchases have been determined, the CRC can be calculated and the Waiver Level (WL) can be determined.

A. Cost Recovery Charge: The CRC will be a charge to recover the additional revenue required as calculated in Step 3. The CRC will apply to all customers who choose not to request a

waiver of the CRC, as discussed below. The CRC equals the additional revenue to be recovered divided by the total energy allocation to all customers for the FY.

$$\text{CRC} = \text{FARR} / (\text{EA} * 1,000)$$

$$= \$ 0.00 \text{ charge}$$

- B. Waiver Level (WL): Western will establish an energy WL that provides Western the ability to reduce purchase power expenses by scheduling less energy than what is contractually required. Therefore, for those customers who voluntarily schedule no more energy than their proportionate share of the WL, Western will waive the CRC for that year.

After the Funds Available has been determined, the WL will be set at the sum of the energy that can be provided through hydro generation and purchased with Funds Available. The WL will not be less than the forecasted Hydro Energy.

$$\text{WL} = \text{If } (\text{EA} < \text{HE}, \text{EA}, \text{HE} + (\text{FE} * (\text{FA} / \text{FX})))$$

$$= 4,952 \text{ (EA) is not less than } 4,924 \text{ (HE) then:}$$

$$= 4,924 \text{ (HE)} + (504.33 \text{ (FE)} * (\$17,263,215.90 \text{ (FA)} / \$17,263,215.90 \text{ (FX)}))$$

$$= 5,428 \text{ (GWh) is the Waiver Level}$$

If SHP Energy Allocation is less than forecasted Hydro Energy available, then **WL=EA**

If SHP Energy Allocation is greater than the forecasted Hydro Energy available, then

$$\text{WL} = \text{HE} + (\text{FE} * (\text{FA} / \text{FX}))$$

PRIOR YEAR ADJUSTMENT:

The CRC PYA for subsequent years will be determined by comparing the prior year's estimated firming-energy cost to the prior year's actual firming-energy cost for the energy provided above the WL. The PYA will result in an increase or decrease to a customer's firm energy costs over the course of the following year. The table below is the calculation of a PYA.

PYA CALCULATION			
		Description	Formula
STEP ONE	Determine actual expenses and purchases for previous year's firming. This data will be obtained from Western's financial statements at the end of the FY.		
	PFX	Prior Year Actual Firming Expenses (\$)	Financial Statements
	PFE	Prior Year Actual Firming Energy (GWh)	Financial Statements
STEP TWO	Determine the actual firming cost for the CRC portion.		
	EAC	Sum of the energy allocations of customers subject to the PYA (GWh)	
	FFC	Forecasted Firming Energy Cost – (\$/MWh)	From CRC Calculation
	AFC	Actual Firming Energy Cost – (\$/MWh)	PFX/PFE
	CRCEP	CRC Energy Percentage	From CRC Calculation
	CRCE	Purchased Energy for the CRC (GWh)	EAC*CRCEP
STEP THREE	Determine Revenue Adjustment (RA) and PYA.		
	RA	Revenue Adjustment (\$)	(AFC-FFC)*CRCE*1,000
	PYA	Prior Year Adjustment (mills/kWh)	(RA/EAC)/1,000

Narrative PYA Calculation

STEP ONE: Determine actual expenses and purchases for previous year's firming. This data will be obtained from Western's financial statements at end of FY.

PFX - Prior year actual firming expense

PFE - Prior year actual firming energy

STEP TWO: Determine the actual firming cost for the CRC portion.

EAC - Sum of the energy allocations of customers subject to the PYA

CRCE - The amount of CRC Energy needed

AFC - The Actual Firming Energy Cost are the PFX divided by the PFE

$$AFC = (PFX/PFE)/1,000$$

STEP THREE: Determine Revenue Adjustment (RA) and Prior Year Adjustment (PYA).

RA - The Revenue Adjustment is AFC less FFC times CRCE

$$RA = (AFC-FFC)*CRCE*1,000$$

PYA = The PYA is the RA divided by the EAC for the CRC customers only.

$$PYA = (RA/EAC)/1,000$$

The customer's PYA will be based on its prior year's energy multiplied by the resulting mills/kWh to determine the dollar amount that will be assessed. The customers will be charged or credited for this dollar amount equally in the remaining months of the next year's billing cycle. Western will attempt to complete this calculation by December of each year. Therefore, if the PYA is calculated in December, the charge/credit will be spread over the remaining 9 months of the FY (January through September).

Shortage Criteria Trigger:

In the event that Reclamation's 24-month study projects that Glen Canyon Dam water releases will drop below 8.23 MAF in a water year (October through September), Western will recalculate the CRC to include those lower estimates of hydropower generation and the estimated costs for the additional purchase power necessary. Western, as in the yearly projection for the CRC, will give the customers a 45-day notice to request a waiver of the CRC, if they do not want to have the CRC charge added to their energy bill. This recalculation will remain in effect for the remainder of the current FY.

In the event that hydropower generation returns to an 8.23 MAF or higher during the trigger implementation, a new CRC will be calculated for the next month, and the customers will be notified.

CRC Schedule for customers

Consistent with the procedures at 10 CFR 903, Western will provide its customers with information concerning the anticipated CRC for the upcoming FY in May. The established CRC will be in effect for the entire FY. The table below displays the time frame for determining the amount of purchases needed, developing customers' load schedules, and making purchases.

CRC Schedule

Task	Respective Dates Under Table CRC Tiers¹		
	i, ii, and iii	iv²	v³
24-Month Study (Forecast to Model Projections)	April 1	April 1 October 1	Monthly Study
CRC Notice to Customers	May 1	May 1 November 1	Monthly
Waiver Request Submitted by Customers	June 15	Within 45 days	Within 30 days
CRC Effective	October 1	August 1 February 1	Updated Monthly

Notes:

¹ This schedule does not apply if the CRC is triggered by the Glen Canyon Dam annual releases dropping below 8.23 MAF.

² If it is determined during the additional reviews, under tier **iv**, that a CRC is necessary, customers will be notified that a CRC will be implemented in 90 days. Western will provide its customers with information concerning the anticipated CRC and give them 45 days to request a waiver or accept the CRC. The established CRC will be in effect for 12 months from the date implemented unless superseded by another CRC.

³ If it is determined during the additional reviews, under tier **v**, that a CRC is necessary, customers will be notified that a CRC will be implemented in 60 days. Western will provide its customers with information concerning the anticipated CRC and give them 30 days to request a waiver or accept the CRC. The established CRC will be in effect for 12 months from the date implemented unless superseded by another CRC.

Billing Demand:

The billing demand will be the greater of:

1. The highest 30-minute integrated demand measured during the month up to, but not more than, the delivery obligation under the power sales contract, or
2. The Contract Rate of Delivery.

Billing Energy:

The billing energy will be the energy measured during the month up to, but not more than, the delivery obligation under the power sales contract.

Adjustment for Waiver:

Customers can choose not to take the full SHP energy supplied as determined in the attached formulas for CRC and will be billed the Energy and Capacity rates listed above, but not the CRC.

Adjustment for Transformer Losses:

If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided in the contract.

Adjustment for Power Factor:

The customer will be required to maintain a power factor at all points of measurement between 95 percent lagging and 95 percent leading.

Adjustment for Western Replacement Power:

Pursuant to the contractor's Firm Electric Service Contract, as amended, Western will bill the contractor for its proportionate share of the costs of Western Replacement Power (WRP) within a given time period. Western will include in the contractor's monthly power bill the cost of the WRP and the incremental administrative costs associated with WRP.

Adjustment for Customer Displacement Power Administrative Charges:

Western will include in the contractor's regular monthly power bill the incremental administrative costs associated with Customer Displacement Power.

**WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS**

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*Legal Citation Revised September 1, 2007

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. Conditions of Transmission Service.

8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or

discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

13. Billing and Payment.

13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.

13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States

Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: 1) at the beginning or end of electric service; 2) at the beginning or end of irrigation pumping service each year; 3) for a fractional billing period under a new rate schedule; or 4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period, to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.

16. Adjustments for Curtailments to Firm Service.

16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that

the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.

17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed,

prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission

system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.

30. Responsibility for Regulated Materials.

When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.

35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing

and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.

37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.

38. Choice of Law and Forum.

Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

CREDITWORTHINESS PROCEDURES FOR WAPA FEDERAL POWER CUSTOMERS

1. APPLICABILITY

- a) These Creditworthiness Procedures apply to all WAPA Federal power customers (Customer) who are billed for power. These procedures do not apply to Federal Agencies or Tribes that have entered into a bill or benefit crediting arrangement.
- b) Certain power systems provide WAPA and/or the generating agency with working capital to mitigate risk associated with a non-payment of a bill by a Customer. Sufficient working capital may negate the application of these Creditworthiness Procedures. Working capital deposit requirements will be established on a project by project basis. Working capital deposits do not offset firm power bills.

2. EVALUATION OF INFORMATION

- a) Creditworthiness evaluations shall be conducted by WAPA's Chief Financial Officer (CFO) in consultation and coordination with the appropriate Regional Manager or CRSP Management Center Manager.
- b) Customers not in default of their financial commitments to WAPA under an existing contract within the last 12 months of the date of these procedures shall be deemed creditworthy. Customers determined to be creditworthy are not subject to an initial creditworthiness evaluation as set forth in Section 2.c below.
- c) New Customers and existing Customers that have defaulted on their financial commitments to WAPA under an existing contract within the last 12 months of the date of these procedures, shall be subject to a creditworthiness evaluation.

WAPA will evaluate the following criteria when conducting a creditworthiness evaluation:

- i. Is the Customer on WAPA's subscribed rating service watch list, currently at or below "BB" on Standard & Poor's ratings (for example); or
- ii. Is the Customer currently in bankruptcy proceedings, or, based on objective and reliable financial reporting, expected to seek bankruptcy protection in the near future; or
- iii. Is the Customer experiencing significant financial hardship or distress that a reasonable examiner of creditworthiness, applying reasonable creditworthiness standards, would find material to decisions concerning credit?
- d) If WAPA determines, based on any of the criteria above, that a Customer's ability to make payments under a Federal power contract is in substantial doubt, the Customer will be deemed non-creditworthy. Upon deeming a Customer non-creditworthy, WAPA will promptly provide written notice of such determination and the basis for its determination to the Customer. Customers may contest WAPA's creditworthiness determination as set forth in Section 3 below.

3. CONTESTING CREDITWORTHINESS DETERMINATION

- a) Within five (5) business days of receiving written notice of a non-creditworthiness determination, the Customer may contest WAPA's creditworthiness determination by submitting a written notice to WAPA explaining its reasons for contesting the determination. The notice must include the name of a designated senior representative authorized to represent the Customer. The written notice contesting WAPA's creditworthiness determination shall be referred to WAPA's CFO who will issue a written decision to the designated senior representative of the Customer within three (3) business days of receiving the Customer's notice.
- b) Should the Customer disagree with the CFO's decision, the Customer may appeal the decision by submitting a written notice to WAPA's Administrator within three (3) business days of receiving the CFO's decision. WAPA's Administrator will issue a written decision within three (3) business days of receiving the Customer's notice.
- c) The requirement to provide collateral security shall be stayed during the process of contesting a creditworthiness determination. Any such stay of the requirement to provide collateral security shall expire upon Customer's receipt of the CFO's written decision or, as applicable, the Administrator's written decision upholding a non-creditworthiness determination.

4. ADVERSE MATERIAL ISSUE/CHANGE

- a) An adverse material issue or change is an occurrence or event that results in a Customer experiencing significant financial hardship or distress such that a reasonable examiner of creditworthiness, applying reasonable creditworthiness standards, would find material to decisions concerning credit. Examples of an adverse material issue/change that would be reviewed by WAPA include, but are not limited to, a bankruptcy filing, being placed on a credit watch list, and a criminal indictment of a corporation or corporate officers.

WAPA's CFO will initially review the issue/change to determine if a creditworthiness evaluation is necessary. If so, WAPA will apply the criteria set forth in section 2.c to evaluate the impact of the issue/change. If WAPA determines that, based on an adverse material change, a Customer's ability to make payments under a Federal power contract is in substantial doubt, it will determine the Customer non-creditworthy and document the decision. A Customer deemed non-creditworthy will be required to provide collateral in accordance with the Section 5 of these procedures.

- b) The Customer will provide WAPA a notice of adverse material changes in its financial condition (and, as applicable, the financial condition of its guarantor) within ten (10) calendar days from the time the Customer learns of an adverse material change. In addition, WAPA may, through its own efforts, learn of occurrences or events that it may consider an adverse material change.
- c) In the case of a failure by a Customer to report an event or occurrence that results in a Customer experiencing significant financial hardship or distress, but who is otherwise current on its contractual payments, WAPA will consult with the Customer and consider the circumstances surrounding the failure to report before making any decision on creditworthiness.

5. COLLATERAL SECURITY

- a) In the event WAPA determines a Customer is non-creditworthy in accordance with Section 2.d., WAPA will notify the Customer in writing of its determination as well as the basis for its determination. The Customer must provide collateral within thirty (30) calendar days of receipt of the initial written notice provided by WAPA under Section 2.d (or as otherwise agreed in writing between the Customer and WAPA's CFO).
- b) The required amount of security will be based on the maximum total estimated service charge for outstanding service provided by WAPA under its Federal power contract, but not yet paid by the Customer, plus an advance of sixty (60) calendar days of estimated service under its Federal power contract as collateral. WAPA shall have the right to liquidate or draw upon all or a portion of the Customer's collateral provided in order to satisfy the Customer's total net obligation to WAPA. The Customer shall within five (5) business days, or as agreed in writing between WAPA and the Customer, replace any liquidated or drawn-upon collateral. Upon the completion of twelve consecutive months of timely payments under the FES contract, WAPA shall credit the Customer the advanced collateral. If a Customer provides collateral consisting of advance payments for service, WAPA will not collect nor credit interest on such collateral.
- c) Acceptable collateral includes:
 - Payment in advance for service; or
 - An unconditional and irrevocable standby letter of credit as security to meet the Customer's responsibilities and obligations. If this form of collateral is used, it will comply with the requirements as stated in the Uniform Customs and Practice for Documentary Credits; or
 - An irrevocable and unconditional corporate guaranty from an entity that satisfies the creditworthiness requirements.

6. SUSPENSION OF SERVICE

- a) If a Customer fails to provide collateral as set forth above, WAPA may suspend electric service to the Customer no sooner than fifteen (15) business days after WAPA notifies the Customer of the suspension of electric service. The suspension of service shall continue until the Customer provides collateral.
- b) Such a suspension of service will not relieve the Customer of liability for minimum charges, if applicable, during the time service is so suspended.
- c) The rights reserved to WAPA herein shall be in addition to all other remedies available to WAPA, either by law or in equity, for the breach of any of the terms hereof.

7. NOTICE REQUIREMENTS

Any notice, demand, or request specifically required by these Creditworthiness Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

ATTACHMENT 1

In accordance with Section 7, the Western Area Power Administration (WAPA) will notify the Contractor of estimated changes in the contractor's AHP due to SLCA Integrated Projects hydroelectric generation capability and the estimated costs of purchases of Western Replacement Power. Such authorization will be given to the Contractor in approximately the following form:

Contractor Name:

Season:

Available Hydro Power and Estimated Cost for Western Replacement Power

In accordance with Section 7.2.1 of the Contract, WAPA has reviewed the capacity it will have available from the SLCA Integrated Projects for the upcoming season.

Table No. 1

Month	AHP (kW)	Estimated Cost For WRP (\$)	Monthly Capacity Up To CROD (kW)	WRP Purchase (kW)	WRP Energy Purchase (kWh)	CDP Purchase (kWh)	CDP Energy Purchase (kW)
Total							

Advancement of Funds
(Notice if Required)

WAPA has determined that it does not have sufficient purchase power funds to purchase Western Replacement Power and that an advance of funds is needed at this time. If the Contractor determines that it wishes WAPA to purchase Western Replacement Power on its behalf, please remit the required advance along with the authorization of the amount of Western Replacement Power purchases requested. The required advance is calculated as follows:

Required Advance (\$) = [Sum of Estimated Cost (\$) from Table No. 1 / Sum of Estimated Replacement Purchases (kWh) from Table No. 1] * [Western Replacement Power (kWh) requested].

Where: Western Replacement Power requested (kWh) = The maximum sum of Western Replacement Power for any two (2) months

ATTACHMENT 2

Milestones of Notices and Requests

SEASONAL WESTERN REPLACEMENT POWER

Contract Article	Notice/Request	No Sooner Than	No Later Than	Duration	Elapsed Time Since Initial Notice
–	Seasonal AHP Analysis and Market Survey by WAPA	Winter: Mar. 1	Winter: May 30	90 days	–
		Summer: Oct. 15	Summer: Jan. 14		
7.2.1	Notice to Contractors (AHP Availability) by WAPA	–	Winter: Jun. 1	–	–
			Summer: Jan. 15		
–	Individual Contractor Analysis	Winter: Jun. 1	Winter: Jun. 30	30 days	1 month ¹
		Summer: Jan. 16	Summer: Jan. 31	15 days	0.5 month ¹
7.2.2	Contractor Written Notice of Need and Authority to Purchase	–	Winter: Jul. 1	–	–
			Summer: Feb. 1*		
–	WAPA Aggregates Contractor Need by Period	Winter: Jun. 1	Winter: Jul. 15	15 days	0.5 month ²
		Summer: Jan. 16	Summer: Feb. 15		0.5 month ²
7.2.3	Seasonal WRP Acquisition by WAPA (if required)	Winter: Jul. 1	Winter: Oct. 1	90 days	3 months ²
		Summer: Feb. 1	Summer: Apr. 1		2 months ²
7.2.3	“Problem” Notice to Contractors (if required)	–	Winter: Sep. 1	–	2 months ²
			Summer: Mar. 1		1 months ²
7.2.4	“Revised Cost” Notice to Contractors (if required)	–	Winter: Oct. 1	–	3 months ²
			Summer: Apr. 1		2 months ²

* February 1, or 15 calendar-days following the Notice to Contractor, whichever is later.

¹ Measure from “Contractors (AHP Availability) by WAPA.” Example: Jan. 31 is 0.5 month from Jan. 15.

² Measure from “Contractor Written Notice of Need and Authority to Purchase.” Example: Oct. 1 is 4 months from Jul. 1.

ATTACHMENT 3

Timeline of Notices and Requests

LONG TERM WESTERN REPLACEMENT POWER

Contract Article	Notice/Request	No Sooner Than	No Later Than	Duration	Elapsed Time Since Initial Notice
–	Multi-year AHP Analysis	Jun. 1	Sep. 1	90 days	–
7.3.1	Notice of AHP Availability to Contractors	–	Sep. 1	–	–
7.3.2	Contractor Response (Amount and Timing) to WAPA	Sep. 1	Nov. 1	60 days	2 months ³
7.3.3	RFP issued by WAPA	–	Dec. 1	–	3 months ³
–	Analysis of Supplier Proposals by WAPA; Shot-listing	Dec. 1	Mar. 1	90 days	6 months ³
7.3.4	Notice of Purchase Terms & Conditions to Contractors	–	Apr. 1	–	7 months ³
7.3.5	Contractor Written Authorization (Commitment) to Purchase to WAPA	–	May 1	–	8 months ³
7.3.6	WAPA Negotiates Long Term WRP Contracts with Potential Suppliers	May 1	Sep. 1	–	12 months ³

³ Measure from “Notice of AHP Availability to Contractors.” Example: Nov. 1 is 2 months from Sep. 1.

ATTACHMENT 4

Milestones of Notices and Requests

CUSTOMER DISPLACEMENT POWER

Contract Article	Notice/Request	No Sooner Than	No Later Than	Duration	Elapsed Time Since Initial Notice
–	Seasonal AHP Analysis & Market Survey by WAPA	Winter: Mar. 1 Summer: Oct. 15	Winter: May 30 Summer: Jan. 14	90 days	–
7.2.1	Notice to Contractors (AHP Availability) by WAPA	–	Winter: Jun. 1 Summer: Jan. 15	–	–
–	Individual Contractor Analysis	Winter: Jun. 1 Summer: Jan. 16	Winter: Jun. 30 Summer: Jan. 31	30 days 15 days	1 month ⁴ 0.5 month ⁴
7.6.1	Contractor Written Request for CDP	Winter: Mar. 1 Summer: Oct. 15	Winter: Jul. 1 Summer: Feb. 1*	–	–
–	WAPA Determines if CDP can be Accepted	Winter: Jul. 1 Summer: Feb. 1	Winter: Aug. 1 Summer: Mar. 1	–	–
7.6.2	WAPA Notifies Contractor of Ability to Accept CDP		Winter: Aug. 1 Summer: Mar. 1	–	1 month ⁵ 1 month ⁵
–	Multi-year AHP Analysis	Jun. 1	Sep. 1	–	–
7.3.1	Notice of AHP Availability to Contractors	–	Sep. 1	–	–
7.6.1	Contractor Written Request for CDP	Sep. 1	Nov. 1	60 days	2 months ⁶
7.6.2	WAPA Determines if CDP can be Accepted	–	May 1	–	8 months ⁶
7.6.2	WAPA Notifies Contractor of Ability to Accept CDP	May 1	–	–	8 months ⁶

* February 1, or 15 calendar-days following the Notice to Contractor, whichever is later.

⁴ Measure from “Notice to Contractors (AHP Availability) by WAPA.” Example: Jun. 30 is 1 month from Jun. 1.

⁵ Measure from “Contractor Written Request for CDP.” Example: Aug. 1 is 1 month from Jul. 1.

⁶ Measure from “Notice of AHP Availability to Contractors.” Example: Nov. 1 is 2 months from Sep. 1.



Department of Energy
Western Area Power Administration
P.O. Box 11606
Salt Lake City, UT 84147-0606

OCT 2 2002

Ms. Leslie James
Executive Director
Colorado River Energy Distributors Association
4625 South Wendler Drive, Suite 111
Tempe, AZ 85282

Dear Ms. James:

Western Area Power Administration (Western) and the Colorado River Energy Distributors Association (CREDA) are parties to Letter Agreement No. 92-SLC-0208, September 24, 1992 (1992 Agreement), which affirms a Statement of Principles regarding "review of financial and work program data related to the SLCA/IP."

Western and the CREDA Operations Committee want to work together to create operational efficiencies and cost-saving measures. Therefore, Western and CREDA have developed the following procedures to further implement the provisions of the 1992 Agreement. Consistent with the provisions of the 1992 Agreement, the following process is implemented:

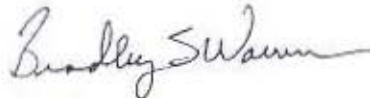
- I. The CREDA Operations Committee and Western agree to meet a minimum of two times each year and at mutually agreed upon dates and locations.
- II. Information to be provided by Western for discussion at CREDA Operations Committee meetings shall, to the extent possible, be made available to the CREDA Operations Committee in advance of a scheduled meeting and shall include, but not be limited to, the following:
 - A. Detailed monthly and seasonal information (dollars and MWH) on wholesale sales, purchases, and Basin Fund balances for the most recent 3 months. The information should include breakout detail showing purchases for firming, Western Replacement Power (WRP), and any other purchases.
 - B. Detailed monthly and seasonal information (dollars and MWH) on projected wholesale sales, purchases, and Basin Fund balances for the upcoming 3 months. The information should include breakout detail showing anticipated purchases for firming, WRP, and any other purchases.
 - C. Costs associated with environmental programs, including firming or replacement purchases, as well as program costs and accounting treatment (reimbursable v. non-reimbursable).
 - D. Hydrologic forecasts reflecting most recent information available.
 - E. Planned/scheduled outage information.

F. Reports from the Aspinall Working Group and other processes relating to Colorado River Storage Project (CRSP) facility planning and operations.

III. The above procedures and process are coterminous with Letter Agreement No. 92-SLC-0208.

Dated as of this 14th day of October, 2002.

Sincerely,



Bradley S. Warren
CRSP Manager

Agreed:



Leslie James, Executive Director
Colorado River Energy Distributors Association



CREDA

COLORADO RIVER ENERGY DISTRIBUTORS ASSOCIATION

ARIZONA

Arizona Municipal Power
Users Association
Arizona Power Authority
Arizona Power Pooling Association
Irrigation and Electrical
Districts Association
Navajo Tribal Utility Authority
(also New Mexico, Utah)
Salt River Project

COLORADO

City of Colorado Springs
Plate River Power Authority
Tri-State Generation &
Transmission Cooperative
(also Nebraska, Wyoming)

NEVADA

Colorado River Commission
of Nevada
Silver State Power Association

NEW MEXICO

Farmington Electric Utility System
Malas Electric Generation &
Transmission Cooperative
(also Arizona)
City of Truth or Consequences

UTAH

Intermountain Consumer Power
Association (also Arizona, Nevada)
City of Provo
Strawberry Electric Service District
Utah Municipal Power Agency

WYOMING

Wyoming Municipal Power Agency

CLIFFORD BARRETT

Executive Director
One Utah Center, Suite 900
201 South Main St.
Salt Lake City, Utah 84111
Phone 801-350-9090
Fax 801-350-9051

September 29, 1992

MEMORANDUM

RE: Cost Review Procedures for CRSP Rates

On September 24, 1992, representatives of the Salt Lake City Area Office of the Western Area Power Administration, the Upper Colorado Regional Office of the Bureau of Reclamation and the Colorado River Energy Distributors Association executed a letter agreement implementing procedures for customer review of CRSP costs. Customers will be provided detailed cost information on a semi-annual basis and may challenge costs with which they disagree. Disputes will be settled by negotiation in the first instance but can be resolved under the Administrative Dispute Resolution Act of 1990 which includes arbitration. Western and Reclamation will use their best efforts to convert the procedures into regulations and will also cooperate with CREDA to implement alternative dispute resolution procedures for handling any unresolved CRSP rate issues before FERC.

The following outline describes the agreement which is set forth in Western's Letter Agreement No. 92-SLC-0208 dated September 24, 1992, a March, 1992 Statement of Principles and the Joint Procedures. A copy of each document is attached.

COST REVIEW LETTER AGREEMENT AND JOINT PROCEDURES

I. Overview

- A. Western, Reclamation and CREDA reaffirm their March, 1992 Statement of Principles in which they commit to share and discuss with Colorado River Storage Project ("CRSP") customers information relating to the costs of Salt Lake City Area Integrated Projects ("SLC/IP") and to resolve disputes over such costs, including using arbitration under the Administrative Dispute Resolution Act of 1990 (Pub. L. No. 101-552, 104 Stat. 2736) (the "ADR Act") (Letter Agreement ¶1).

- 2 -

- B. Western and Reclamation will utilize certain agreed upon procedures (the "Joint Procedures") to implement the Statement of Principles and to establish the manner in which the CRSP customers will be able to review cost information (referred to as "Work Program Information") for setting CRSP power rates (Letter Agreement ¶5).
- C. Western and Reclamation will use their best efforts to expeditiously implement the Joint Procedures in the form of regulations (Letter Agreement ¶2).

II. Work Program Information To Be Supplied To Customers

- A. Definition: Specified cost information and back-up material (Section 2 (h) and (k)) for the most recent completed fiscal year, the current fiscal year and the next five fiscal years, broken down by program element (O&M, construction, replacements, environmental studies, overheads, etc.) (Section 2 (g) and (j)), whether reimbursable or non-reimbursable.
- B. Work Program Information will be made available semi-annually (Section 3 (a) and (b)).
- C. Customers, Western and the Reclamation will confer about Work Program Information and customers may review documentation and records underlying Work Program Information (Section 3 (c)).
- D. Customers may challenge costs and Western and the Reclamation must respond in writing (Section 3 (c), (d) and (e)).

III. Use of Work Program Information In Power Repayment Studies

- A. Western will use the Work Program Information to prepare power repayment studies for long term firm power rates (Section 4(a)).
- B. Customers are bound by any resolution of a dispute that they reach with Western under the Joint Procedures relating to Western Work Program Information (Section 4(b)) but otherwise may challenge rates at FERC. Customers may challenge Reclamation Work Program Information later in court provided they first avail themselves of the remedies under the Joint Procedures (Section 4(c)).

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IV. Dispute Resolution Prior to FERC Rate Filing

- A. Disputes include "disputes or disagreements regarding the Work Program Information, including...how such information should be utilized in the ratemaking process" (Section 5(a)).
- B. Disputes must first be presented to the Administrator of Western or the Commissioner of the Bureau of Reclamation, as the case may be (Section 5(a)).
- C. Disputes over Work Program Information will be resolved by discussion among the parties (Section 5(a) and (b)) and ultimately, if requested by the customer and agreed by the government, through arbitration under the ADR Act (Section 5(a) and (c)).

V. Dispute Resolution After FERC Rate Filing.

- A. Customers preserve their rights to challenge Western and the Reclamation in FERC and elsewhere within the terms of the Joint Procedures (Sections 4 (b), (c) and 5(b)).
- B. Customers and Western will cooperate to implement Western's commitment in Section IV of the Statement of Principles to pursue dispute resolution techniques authorized by the ADR Act, including arbitration under the ADR Act if requested by a customer, while a rate case is pending at FERC (Letter Agreement ¶4). (The FERC has pending before it a rulemaking in which it will implement the ADR Act. See "Administrative Dispute Resolution Notice of Inquiry," FERC Docket No. RM91-12-000.)



Department of Energy
Western Area Power Administration
P.O. Box 11606
Salt Lake City, UT 84147-0606

SEP 24 1992

Letter Agreement No. 92-SLC-0208

Mr. Roland Robison
Regional Director
Bureau of Reclamation
Upper Colorado Region
P.O. Box 11568
Salt Lake City, UT 84147

Dear Mr. Robison:

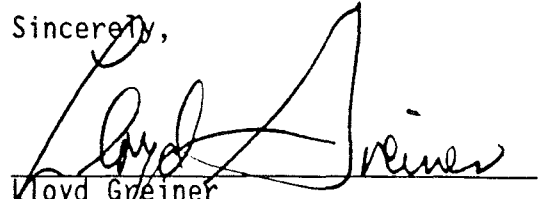
The Salt Lake City Area Office of Western Area Power Administration ("Western"), the Upper Colorado Regional Office of the Bureau of Reclamation ("Reclamation"), and the Colorado River Energy Distributors Association ("CREDA") recently exchanged letters stating their concurrences with a Statement of Principles aimed at working toward implementing procedures for customer review of financial and work program data relating to power rates of the Salt Lake City Area Integrated Projects (SLCA/IP). The purpose of this letter agreement is to implement the Statement of Principles by adoption of Joint Procedures on an interim basis pending development of regulations to generally apply the procedures envisioned in the Statement of Principles. To this end, Western, Reclamation, and CREDA on behalf of its members (collectively the "Parties") agree as follows:

1. The Parties hereby reaffirm the attached Statement of Principles to govern customer review of financial and work program data relating to SLCA/IP;
2. Western and Reclamation shall use their best efforts to expeditiously implement the attached Joint Procedures, as may be amended, for the review of work program information by customers of the SLCA/IP in the form of regulations adopted pursuant to the Administrative Procedures Act;
3. Western recognizes that the attached Joint Procedures do not yet contain a provision to implement Western's commitment in Section IV of the Statement of Principles to utilize alternative dispute resolution procedures before the Federal Energy Regulatory Commission ("FERC"), including arbitration if requested by a customer, but Western will cooperate with CREDA to implement this commitment once the FERC issues its anticipated rulemaking implementing the Alternative Dispute Resolution Act of 1990;
4. Western, Reclamation, and CREDA recognize that the attached Joint Procedures are being implemented on an initial basis and will cooperate with each other to identify and resolve problems which arise under operation of the Joint Procedures; and

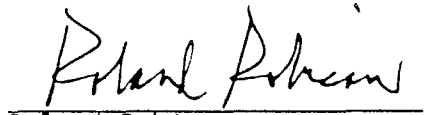
5. The Parties shall utilize from the date of this agreement the attached Joint Procedures, as may be amended, on an interim basis until regulations envisioned in paragraph 2 above are adopted.

Dated as of this 24th day of September, 1992.


Sincerely,


Lloyd Greiner
Area Manager
Western Area Power Administration

Agreed:


Roland Robison
Regional Director
U.S. Bureau of Reclamation

Agreed:


Clifford I. Barrett
Executive Director
Colorado River Energy
Distributors Association

cc:
Mr. Don Allen
Duncan and Allen
1575 Eye Street, NW
Washington, DC 20005-1175

August 14, 1992

JOINT PROCEDURES FOR REVIEW OF
WORK PROGRAM INFORMATION BY CUSTOMERS OF THE
SALT LAKE CITY AREA INTEGRATED PROJECTS

Section 1 Preamble

(a) The Secretary of Energy, acting by and through the Administrator of the Western Area Power Administration (Western), pursuant to § 302 of the Department of Energy Organization Act, 42 U.S.C. § 7152, and acts amendatory thereof or supplementary thereto, and the Secretary of the Interior, acting by and through the Commissioner of the Bureau of Reclamation (Reclamation), pursuant to § 10 of the Reclamation Act of 1902, 43 U.S.C. § 373, and acts amendatory thereof or supplementary thereto, are authorized to adopt procedures affecting the Colorado River Storage Project (CRSP), the Collbran Project, the Provo River Project, the Rio Grande Project, and the Colorado River Basin Salinity Control activities. Western administratively defines the consolidation of the CRSP, Collbran Project and Rio Grande Project for power marketing and ratemaking purposes as the Salt Lake City Area Integrated Projects (SLCAIP).

(b) In accordance with the authorities cited in subsection (a), Western and Reclamation adopt these Joint Procedures to afford power Customers of the SLCAIP an

- 2 -

1 opportunity to review and comment on Western's and
2 Reclamation's Work Program Information.

3 (c) Nothing in these Joint Procedures shall be deemed to
4 diminish Western's or Reclamation's administrative
5 responsibilities and authorities.

6 Section 2 Definitions

7 The following terms, when used in these Joint
8 Procedures, shall have the following meanings.

9 (a) Completed Year shall mean the fiscal year
10 immediately preceding the Past Year.

11 (b) Current Year shall mean the fiscal year preceding
12 the Planning Year.

13 (c) Customer shall mean any entity with whom Western
14 contracts to sell long-term firm electric power and energy
15 from the SLCAIP.

16 (d) Out Year shall mean any fiscal year following the
17 Planning Year.

18 (e) Past Year shall mean the fiscal year immediately
19 preceding the Current Year.

20 (f) Planning Year shall mean the fiscal year which ends
21 in the calendar year two years after the current calendar year
22 and is the year of the Work Program Information being reviewed
23 by the Customers.

- 3 -

(g) Reclamation Program Elements shall mean:

- (1) Operation and maintenance;
- (2) Replacements (both capitalized and expensed);
- (3) Capital additions (both capitalized and expensed);
- (4) Extraordinary maintenance (both capitalized and expensed);
- (5) Environmental studies;
- (6) Construction; and
- (7) Overheads, to the extent such information is separately available.

(h) Reclamation Preliminary Work Program Information shall mean:

- (1) Work Program Information for the Planning Year.1/ This should include information pertaining to the Completed Year,2/ Past Year,3/ the Current Year,4/ the Planning Year and forecasts for the first, second and third Out Years5/ immediately following the Planning Year.

1/ Presently this would be FY 1994.

2/ Presently this would be FY 1991.

3/ Presently this would be FY 1992.

4/ Presently this would be FY 1993.

5/ Presently these would be FY 1995, 1996 and 1997.

- 4 -

1 (2) Reclamation's narrative description of the
2 changes and reasons for changes between the Current Year and
3 the Planning Year.

4 (3) The documents and analyses for the Planning
5 Year relating to major O&M work and new construction work
6 which are used by Reclamation officials to evaluate or justify
7 such work, to calculate benefit/cost ratios or to compare
8 alternative means which would accomplish the same purpose.
9 "Major" or "new construction" work for purposes of this
10 subsection shall mean any work estimated to cost in excess of
11 \$1,000,000 per individual project, or CRSP Initial Units in
12 the aggregate, or individual participating project of CRSP.
13 If such documents or analyses contain an estimate of cost or
14 other details which, if made available to prospective bidders
15 would compromise the integrity of Reclamation's public bidding
16 process, such detailed estimate of cost may be deleted from
17 the document.

18 (4) Reports or updates to reports of annual costs
19 (historical and forecast) and any changes in study plans for
20 environmental studies by contract or function.

21 (i) Reclamation Final Work Program Information shall
22 mean the documents and analyses available to Reclamation
23 officials to show changes to the most recently available
24 Reclamation Preliminary Work Program Information including,
25 but not limited to, updated versions of documents and analyses

- 5 -

1 comprising the most recently available Reclamation Preliminary
2 Work Program Information.

3 (j) Western Program Elements shall mean:

4 (1) For operation and maintenance:

- 5 A. Power Marketing (including
- 6 generation, load and purchases);
- 7 B. Operation and maintenance;
- 8 C. Extraordinary maintenance;
- 9 D. Moveable equipment;
- 10 E. Replacements;
- 11 F. Capital additions;
- 12 G. Environmental study costs;
- 13 H. Cash management and cash
- 14 requirements (including interest
- 15 and principal repayment);
- 16 I. General Western Allocation;
- 17 J. Administrative and general
- 18 expenses, to the extent such
- 19 information is available; and
- 20 K. Associated direct expenses, to
- 21 the extent such information is
- 22 available.

23 (2) For construction:

- 24 A. Transmission lines;
- 25 B. Substations;

- 6 -

1 C. Other facilities;

2 D. Administrative and general
3 expenses, to the extent such
4 information is available; and

5 E. Associated direct expenses, to
6 the extent such information is
7 available.

8 (k) Western Preliminary Work Program Information shall
9 mean:

10 (1) Information derived from Western's:

11 A. Program Schedule Activity
12 Reports or the equivalent for
13 the Planning Year^{6/} relating
14 to SLCAIP including information
15 pertaining to the Completed
16 Year^{7/} Past Year,^{8/} the
17 Current Year,^{9/} and
18 projections for the first,

19 ^{6/} Presently this would be FY 1994.

20 ^{7/} Presently this would be FY 1991.

21 ^{8/} Presently this would be FY 1992.

22 ^{9/} Presently this would be FY 1993.

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1 second and third Out

2 Years;10/ and

3 B. Facility Data Sheets prepared
4 for SLCAIP construction
5 activities in excess of
6 \$1,000,000 that are planned or
7 under construction as of the
8 date when Western's Preliminary
9 Work Program Information becomes
10 available.

11 Such information shall be in sufficient detail for
12 Western officials to evaluate or justify the activities
13 envisioned to be undertaken, to calculate their benefit/cost
14 ratios or to compare them to alternative activities which
15 would accomplish the same purpose; Provided, however, the
16 information shall not be in such detail that it would
17 compromise the integrity of Western's public bidding process.

18 (2) The most current Salt Lake City Area
19 Construction and Rehabilitation Program Ten Year Plan and
20 equivalent documents for the Loveland and Phoenix areas to the
21 extent that they contain information pertaining to the SLCAIP.

22 10/ Presently these would be FY 1995, 1996 and 1997.

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1 (3) The most current monthly "Status of Programs"
2 document for CRSP Construction, CRSP O&M, and Small Programs
3 (as available).

4 (4) The most current CRSP cash flow tracking
5 documents including, but not limited to, the document labeled
6 "CRSP Revenues and Expenses" which summarizes the data on a
7 monthly basis.

8 (1) Western Final Work Program Information shall mean
9 the documents and analyses available to Western officials to
10 show changes to the most recently available Western
11 Preliminary Work Program Information including, but not
12 limited to, updated versions of documents and analyses
13 comprising the most recently available Western Preliminary
14 Work Program Information.

15 (m) Work Program Information shall mean the information
16 for the CRSP, Collbran Project, Rio Grande Project, Provo
17 River Project and any other projects or activities which is
18 utilized to plan and schedule project work and which is the
19 basis for formulation of rates for the sale of firm electric
20 power and energy from the SLCAIP. In the case of the Provo
21 River Project, generation is purchased by SLCAIP.

22 (n) Work Program Information Review Period shall mean
23 the 45 days immediately following the date upon which Western
24 or Reclamation supplies its respective Work Program
25 Information in accordance with these Joint Procedures.

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Section 3 Supply of Work Program Information

(a) Western shall make available to Reclamation and the Customers upon request a report on or before March 1st and on or before July 15th of each year. The report supplied in March shall contain Western Preliminary Program Information categorized by Western Program Elements and the report supplied in July shall contain Western Final Work Program Information categorized by Western Program Elements.

(b) Reclamation shall make available to Western and the Customers upon request a report on or before April 15th and on or before October 20th of each year. The report supplied in April shall contain Reclamation Preliminary Work Program Information categorized by Reclamation Program Elements and the report supplied in October shall contain Reclamation Final Work Program Information categorized by Reclamation Program elements.

(c) During any Work Program Information Review Period following the receipt of Work Program Information, Western, Reclamation and the Customers may confer with one another and, upon request, shall meet for the purpose of reviewing and understanding the Work Program Information supplied and how it will be used to establish rates for the sale of electric power and energy to the Customers. Upon 5 days prior written notice during the Work Program Information Review Period to either Western or Reclamation, a Customer shall have the right,

- 10 -

1 subject to applicable Federal laws and regulations, to review
2 at Western or Reclamation offices during regular business
3 hours relevant records, if any, as determined by Western or
4 Reclamation in accordance with these Joint Procedures, upon
5 which such Work Program Information is based. Western and
6 Reclamation reserve the right to reject duplicative or
7 unnecessarily burdensome requests. Customers shall have the
8 opportunity to present written views on the Work Program
9 Information supplied and how it should be used to establish
10 rates for the sale of electric power and energy to the
11 Customers to Western or Reclamation within 15 days of the
12 close of a Work Program Information Review Period on the Work
13 Program Information presented during such period. Western or
14 Reclamation, as the case may be, shall respond to the
15 Customers regarding the views they express within 30 days from
16 receipt of such views and shall make responses available to
17 all Customers who so request.

18 (d) Any dispute not resolved between Reclamation's
19 Regional Director or Western's Area Manager and a Customer
20 concerning Work Program Information provided by Western or
21 Reclamation shall be resolved in accordance with Section 5 of
22 these Joint Procedures.

23 (e) Communications and notices contemplated to be
24 delivered by a sending party in these Joint Procedures shall
25 be deemed received by the receiving party (a) on the date

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1 delivered via facsimile during the receiving party's normal
2 business hours, provided the receiving party orally confirms
3 receipt thereof to the sending party; or (b) on the date
4 actually received during the recipient's normal business
5 hours. The parties agree to use messenger or overnight
6 delivery service to deliver bulky or lengthy documents.

7 Section 4 Utilization or Challenge of Work
8 Program Information in Power
9 Repayment Studies

10 (a) Western shall prepare Power Repayment Studies in
11 accordance with Department of Energy Order RA 6120.2, the
12 principles of the March 26, 1980 Agreement between Western and
13 Reclamation and such other existing or future agreements
14 between Western and Reclamation which affect the long term
15 firm rate for SLCAIP power, as they may be amended. Western
16 shall utilize the Work Program Information made available to
17 its Customers by Western and Reclamation (including
18 adjustments thereof which may result from reviews, from
19 internal corrections or the dispute resolution process
20 provided for in these Joint Procedures but excluding the costs
21 of future transmission system additions in a Planning Year or
22 Out Year which are conceptual in nature), to prepare the power
23 repayment studies upon which it relies to promulgate any
24 interim or final rates proposed or adopted for SLCAIP firm
25 power or transmission services; Provided, however, that prior

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1 to the adoption of any rate change the Work Program
2 Information utilized to develop such rates shall have been
3 provided to the Customers; Provided further, that initiation
4 of a rate adjustment process or adoption of an interim rate or
5 seeking confirmation and approval of a final rate is not
6 contingent upon resolution of disputes hereunder.

7 (b) A Customer may not challenge a Western Power
8 Repayment Study, a rate promulgated by Western based on a
9 Power Repayment Study or Western's Work Program Information
10 underlying such rate or Power Repayment Study, in any
11 administrative or judicial forum to the extent such Customer
12 has sought and received or reasonably could have sought
13 resolution of such challenge under these Joint Procedures.

14 (c) A Customer may not challenge any Reclamation Work
15 Program Information or any other data or information furnished
16 by Reclamation or any conclusion arrived at or decision made
17 by Reclamation hereunder in any judicial forum, unless such
18 Customer has sought resolution by or from Reclamation as
19 provided under these Joint Procedures.

20 Section 5 Dispute Resolution

21 (a) Any disputes or disagreements regarding the Work
22 Program Information, including but not limited to how such
23 information should be utilized in the ratemaking process,
24 shall first be presented to the Administrator of Western with

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1 regard to Western Work Program Information or the Commissioner
2 of Reclamation with regard to Reclamation Work Program
3 Information within 15 days after receipt of Western's or
4 Reclamation's response to a Customer's views provided for in
5 Section 3. The Customer shall include in its presentation a
6 statement whether the Customer wishes to resolve the dispute
7 or disagreement through arbitration. The Administrator or the
8 Commissioner shall respond to the Customer's presentation
9 within 15 days after receipt of such presentation; Provided,
10 however, the Administrator or the Commissioner shall be deemed
11 to have decided the dispute or disagreement unfavorably to the
12 Customer and to have denied any request to submit the matter
13 to arbitration if the Administrator or Commissioner has not
14 acted upon within 15 days of receipt of the Customer's
15 presentation.

16 (b) In the event of a denial of a request for
17 arbitration, the decision of the Administrator or the
18 Commissioner shall be deemed their final action. Any remedy
19 shall lie with FERC and subsequently the appropriate Federal
20 court in the case of Western, or the appropriate Federal court
21 in the case of Reclamation; Provided, however, such final
22 action by the Administrator shall not impair a party's right
23 to pursue its lawful remedies vis-a-vis Western before FERC.

24 (c) Arbitration shall take place in accordance with the
25 provisions of the Administrative Dispute Resolution Act, Act

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1 of November 15, 1990, Pub. L. No. 101-552, 104 Stat. 2736, as
2 it may be amended and in accordance with such rules or
3 regulations thereunder as may be promulgated by the Department
4 of Energy or the Department of the Interior. Upon
5 establishment of acceptable principles of conduct and
6 procedures and with the agreement of the affected parties,
7 mediation or other forms of alternative dispute resolution may
8 be used as a means of resolving any dispute between the
9 parties in lieu of arbitration.

10 (d) Should the legal authority provided in the
11 Administrative Dispute Resolution Act, supra, lapse, Western,
12 Reclamation, and the Customers agree to utilize their best
13 efforts to find another legally acceptable means of alternate
14 dispute resolution.

15 (e) Nothing in these Joint Procedures shall be deemed to
16 subject Reclamation to the jurisdiction of the Federal Energy
17 Regulatory Commission.

STATEMENT OF PRINCIPLES CUSTOMER REVIEW OF FINANCIAL AND WORK PROGRAM DATA

I. The Western Area Power Administration's (Western) Salt Lake City Area Integrated Projects (SLCAIP) customers desire, on a regular basis, to review financial and work program data from both Western and the Upper Colorado Region of the Bureau of Reclamation (Reclamation) that affect the electric power rate for the SLCAIP.

II. Western and Reclamation each are committed to providing such information to the SLCAIP customers on a timely basis.

III. Several Federal laws and regulations control actions of Western and Reclamation in providing financial and work program data. Western and Reclamation will comply with the provisions of these laws and regulations in providing financial and work program data to the SLCAIP customers.

IV. It is in the best business interests of Western, Reclamation, and the SLCAIP power customers to resolve disputes over financial and work program data in a timely and cost-efficient manner. To this end, Western, Reclamation, and the SLCAIP power customers agree to utilize dispute resolution techniques in accordance with the Administrative Dispute Resolution Act ("ADR Act"), Act of November 15, 1990, Pub. L. No. 101-552, 104 Stat. 2736, to resolve such disputes at the administrative level before Western or Reclamation. In addition, Western and the SLCAIP power customers agree to utilize ADR Act dispute resolution techniques before the Federal Energy Regulatory Commission, including arbitration if requested by a customer, provided FERC approves the use of such techniques. The dispute resolution process will be conducted in an open manner with full records kept of the proceedings.

1 V. Neither Western nor Reclamation, as the case may be, are able to accept a
2 decision arising out of a dispute resolution process that contravenes or infringes upon the
3 authority of the Executive Branch of the Federal government.

4 VI. Western, Reclamation, and the SLCAIP power customers recognize that these
5 principles provide a framework for further discussions. All agree to enter into such
6 discussions on a good faith basis to refine and define further actions each party would take
7 under these principles.

8 VII. Western and Reclamation believe that it is sound public policy to adopt these
9 principles, as may be refined and defined. Accordingly, Western and Reclamation will
10 initiate in a timely fashion an informal notice and comment rulemaking action under the
11 Administrative Procedures Act to adopt these principles.

12 VIII. Recognizing that an informal notice and comment rulemaking can be a time-
13 consuming process, Western and Reclamation agree to enter into a letter agreement with
14 the SLCAIP power customers to adopt these principles, as may be refined and defined, in
15 advance of the rulemaking referred to in principle VII. A draft version of the proposed rule
16 will be attached to the letter agreement, but the letter agreement will be subject to the
17 provisions of the rulemaking as adopted on a final basis.

18 IX. These principles, as may be refined and defined, will not in any way diminish
19 Western's and Reclamation's rights and obligations to provide information to members of
20 the public or any regulatory or public bodies.



County of Los Alamos

Staff Report

February 20, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 8.A
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 11696-19

Title

Status Reports

Body

Each month the Board receives in the agenda packet informational reports on various items. No presentation is given, but the Board may discuss any of the reports provided.

Attachments

A - Electric Reliability Report

B - Accounts Receivables Report

C - Safety Report

STATUS REPORTS

ELECTRIC RELIABILITY

Los Alamos County Utilities



Electric Distribution Reliability

February 20, 2019

Stephen Marez
Senior Engineer

Electric Distribution Reliability Study
Twelve Month Outage History

Prepared by Stephen Marez
Senior Engineer L.A.C.U.

Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Customers Affected (Meters)	Combined Customer Outage Durations	Total Outage H:M:S	Running SAIDI
2/3/2018	Utilities	13	Animal	1:30	2:30	1:00	8	8:00:00	8:00:00	0:00:03
2/14/2018	Utilities	14	Planned	9:00	10:30	1:30	7	10:30:00	18:30:00	0:00:07
3/8/2018	Utilities	WR2	Planned	9:30	11:00	1:30	7	10:30:00	29:00:00	0:00:12
3/9/2018	Utilities	15	Unknown	13:00	14:00	1:00	6	6:00:00	35:00:00	0:00:14
3/9/2018	Utilities	15	Animal	9:30	10:30	1:00	1	1:00:00	36:00:00	0:00:14
3/10/2018	Utilities	WR2	Unknown	14:11	15:11	1:00	1	1:00:00	37:00:00	0:00:15
3/16/2017	Utilities	WR1	Weather	16:30	17:30	1:00	5	5:00:00	42:00:00	0:00:17
3/18/2017	Utilities	WR1	Weather	14:00	16:00	2:00	1	2:00:00	44:00:00	0:00:18
3/12/2018	Utilities	13	OH Failure	12:30	15:07	2:37	22	57:34:00	101:34:00	0:00:40
4/17/2018	Utilities	16	URD Failure	17:00	20:00	3:00	2	6:00:00	107:34:00	0:00:43
4/26/2018	Utilities	WR1	Planned	9:50	12:20	2:30	7	17:30:00	125:04:00	0:00:50
5/27/2018	Utilities	16	URD Failure	12:00	13:30	1:30	30	45:00:00	170:04:00	0:01:08
5/30/2018	Utilities	WR2	Planned	9:05	11:05	2:00	8	16:00:00	186:04:00	0:01:14
6/3/2018	Utilities	WR2	URD Failure	15:00	16:00	1:00	50	50:00:00	236:04:00	0:01:34
6/3/2018	Utilities	WR2	URD Failure	15:00	16:45	1:45	27	47:15:00	283:19:00	0:01:53
6/3/2018	Utilities	WR2	URD Failure	15:00	17:45	2:45	21	57:45:00	341:04:00	0:02:16
6/12/2018	Utilities	13	URD Failure	20:45	9:30	12:45	15	191:15:00	532:19:00	0:03:32
6/17/2018	Utilities	16	URD Failure	18:30	20:00	1:30	2	3:00:00	535:19:00	0:03:33
7/15/2018	Utilities	14	URD Failure	23:30	5:30	6:00	30	180:00:00	715:19:00	0:04:45
7/20/2018	Utilities	WR2	URD Failure	10:10	11:30	1:20	12	16:00:00	731:19:00	0:04:51
8/7/2018	Utilities	13	URD Failure	20:00	1:00	5:00	50	250:00:00	981:19:00	0:06:31
8/19/2018	Utilities	WR2	URD Failure	19:00	23:00	4:00	24	96:00:00	1077:19:00	0:07:09
9/1/2018	Utilities	WR2	URD Failure	5:00	8:30	3:30	21	73:30:00	1150:49:00	0:07:38
9/3/2018	Utilities	WR1	OH Failure	13:30	16:30	3:00	15	45:00:00	1195:49:00	0:07:56
9/4/2018	Utilities	WR1	Weather	17:50	19:30	1:40	15	25:00:00	1220:49:00	0:08:06
9/13/2018	Utilities	WR1	HUMAN	14:45	15:15	0:30	14	7:00:00	1227:49:00	0:08:09
9/13/2018	Utilities	WR2	URD Failure	9:30	11:15	1:45	24	42:00:00	1269:49:00	0:08:25
10/3/2018	Utilities	WR2	URD Failure	8:00	11:30	3:30	7	24:30:00	1294:19:00	0:08:35
11/13/2018	Utilities	13	SAFETY	9:45	15:00	5:15	87	456:45:00	1751:04:00	0:11:37
11/23/2018	Utilities	13	URD Failure	11:45	12:00	0:15	7	1:45:00	1752:49:00	0:11:38
11/30/2018	Utilities	13	TREE	19:00	20:52	1:52	15	28:00:00	1780:49:00	0:11:49
11/30/2018	Utilities	13	TREE	19:00	0:00	5:00	15	75:00:00	1855:49:00	0:12:19

CIRCUIT SAIDI IS CALCULATED ACCORDING TO THE NUMBER OF CUSTOMERS IN EACH CIRCUIT RESPECTIVELY											
Running SAIDI Circuit	Running SAIDI Circuit 14	Running SAIDI Circuit 15	Running SAIDI Circuit 16	Running SAIDI Circuit 17	Running SAIDI Circuit 18	SAIDI Circuit EA4 & Royal Crest	Running SAIDI Circuit WR1	Running SAIDI Circuit WR2	Monthly SAIDI	Monthly Customer Minutes out of service	WEATHER SAIDI
0:00:17	0:01:10							0:00:39	FEBRUARY 0:00:07	18:30:00	
		0:00:12									
		0:00:13									
								0:00:43			
						0:00:11					
0:02:23						0:00:16			MARCH 0:00:10	25:30:00	0:00:03
			0:00:12								
			0:01:40				0:00:56		APRIL 0:00:32	81:04:00	
							0:01:43		MAY 0:00:24	61:00:00	
							0:04:50				
							0:07:47				
							0:11:24				
0:09:19											
	0:20:02		0:01:46						JUNE 0:02:19	349:15:00	
0:18:22							0:01:00		JULY 0:01:18	183:00:00	
							0:07:00		AUGUST 0:02:18	346:00:00	
							0:11:35				
							0:02:38				0:00:10
							0:03:35				
							0:03:50				
0:34:56							0:14:12		SEPTEMBER 0:01:17	49:00:00	
0:35:57							0:15:44		OCTOBER 0:00:10	66:30:00	
0:38:40				0:00:30							
									NOVEMBER 0:03:43	561:30:00	
Circ 13 1655	Circ 14 539	Circ 15 1875	Circ 16 1842	Circ 17 209	Circ 18 213	Circ EA4 165	Circ WR1 1586	Circ WR2 961	Total 9045	0:12:19	0:00:13

Twelve Month History	January 2019	
Total # Accounts	9045	
Total # Interruptions	31	
Sum Customer Interruption Durations	1855:49:00	hours:min:sec
# Customers Interrupted	556	
SAIFI(APPA AVG. = 1.0)	.06	int./cust.
SAIDI (APPA AVG. = 1:00)	00:12	hours:min
CAIDI	3:20	hours:min/INT
ASAI	99.9999%	% available

- **SAIFI - System Average Interruption Frequency Index**
A measure of interruptions per customer (Per Year)

$$\text{SAIFI} = \frac{(\text{Total number of customer interruptions})}{(\text{Total number of customers served})}$$

- **SAIDI – System Average Interruption Duration Index**
A measure of outage time per customer if all customers were out at the same time (hours per year)

$$\text{SAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customers served})}$$

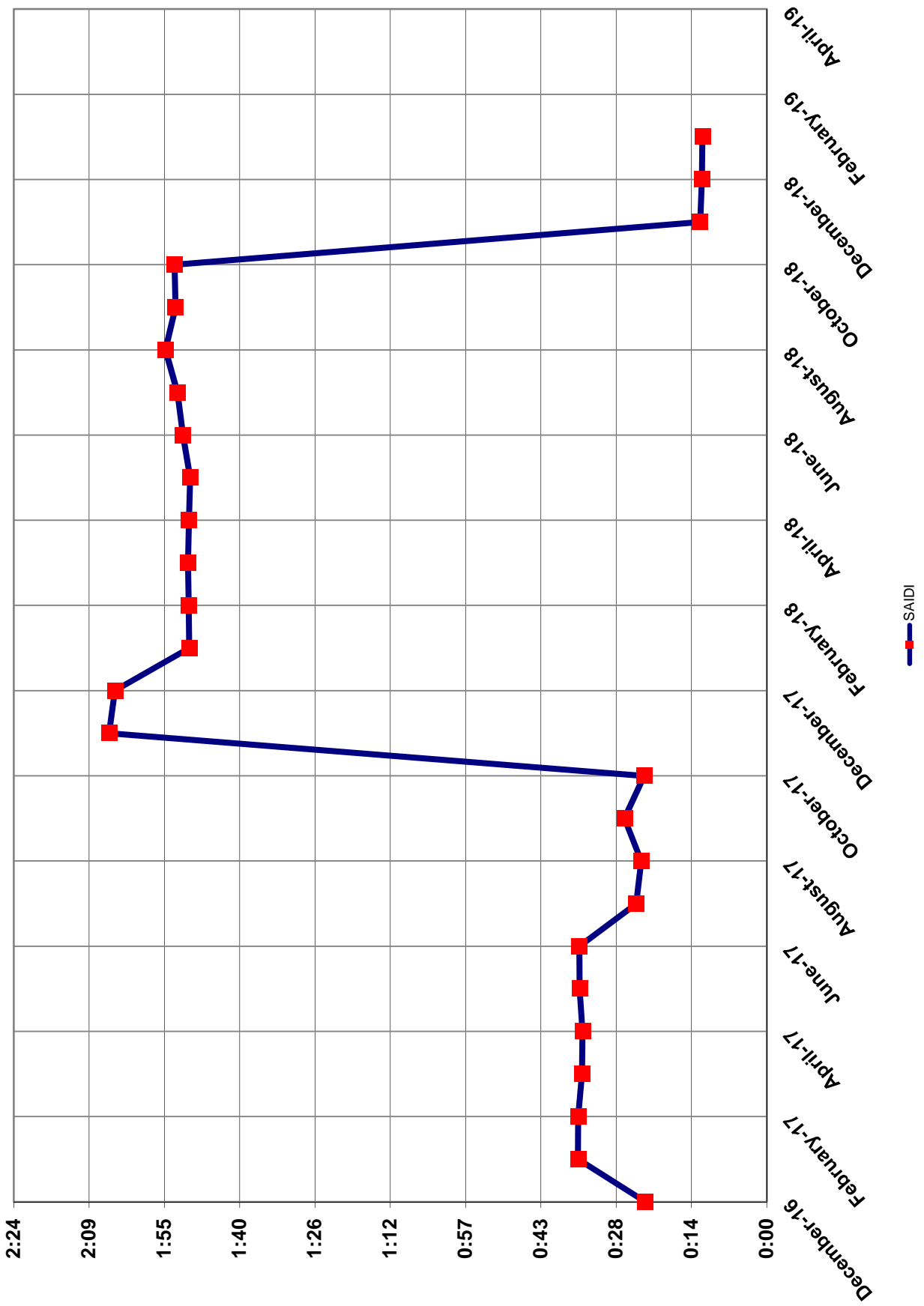
- **CAIDI – Customer Average Interruption Duration Index**
A measure of the average outage duration per customer (hours per interruption)

$$\text{CAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customer interruptions})} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

- **ASAI – Average System Availability Index**
A measure of the average service availability (Per unit)

$$\text{ASAI} = \frac{(\text{Service hours available})}{(\text{Customer demand hours})} = \frac{8760 - \text{SAIDI}}{8760}$$

EACH POINT IS A 12 MONTH SAIDI HISTORY
1:00:00 = APPA BENCHMARK SAIDI



STATUS REPORTS

ACCOUNTS RECEIVABLES

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
February 1, 2019

<i>Account</i>	<i>Customer ID</i>	<i>Acct Type</i>	<i>Comments</i>	<i>90 - 119</i>	<i>120 +</i>
3000068	2113668	RS		123.60	421.34
3000096	2000380	RS		55.07	240.59
3000118	2128758	RS		49.34	252.53
3000131	2124368	RS		84.83	-
3000138	2134008	RS		125.27	72.26
3000139	2034008	RS		86.29	-
3000145	2107458	RS		126.39	3.80
3000166	2066168	RS		173.37	408.36
3000189	2131678	RS		143.44	9.00
3000222	2129908	RS		133.17	498.58
3000229	2030188	RS		151.34	639.03
3003038	2121798	RS		42.67	-
3003508	2124208	RS		200.55	804.52
3003818	2066808	RS		158.41	603.48
3003894	2069898	RS		218.03	331.77
3003910	2125258	RS		143.15	-
3003933	2090978	RS		209.73	248.07
3004032	2126238	RS		167.01	82.43
3004060	2085918	RS		154.14	694.52
3004168	2094658	RS		134.80	-
3004175	2017834	RS		256.52	244.12
3004182	2013181	RS		246.77	102.40
3004207	2012492	RS		309.52	74.86
3004213	2103178	RS		172.27	203.84
3004234	2120468	RS		217.32	1,268.14
3004253	2098728	RS		1.64	-
3004275	2126618	RS		72.63	-
3004458	2063338	RS		22.40	907.69
3004459	2063338	RS		405.73	853.96
3004489	2018841	RS		6.25	-
3004508	2116188	RS		49.01	-
3004509	2102258	RS		37.60	80.13
3004522	2015155	RS		14.42	-
3004678	2014731	RS		191.66	599.42
3004702	2083378	RS		123.05	32.32
3004763	2128068	RS		108.96	-
3004823	2015382	SC		769.61	1,477.37
3004866	2134538	RS		164.56	-
3005247	2120668	RS		177.15	534.68
3005292	2017130	RS		16.56	-
3005323	2055738	RS		225.53	351.63
3005372	2030808	RS		96.16	774.84

3005399	2017522	CM	46.78	-
3005461	2093888	RS	197.28	408.57
3005468	2017711	RS	200.26	277.31
3005569	2093008	RS	194.32	354.37
3005737	2028518	RS	257.83	93.21
3005883	2082788	RS	84.01	-
3005991	2019017	SC	7,021.04	19,791.40
3006079	2041858	RS	252.75	104.72
3006123	2019390	RS	191.35	618.00
3006151	2019497	RS	177.56	312.40
3006238	2200183	RS	25.01	-
3006260	2135358	RS	172.36	10.73
3006313	2020089	RS	354.39	216.79
3006387	2020217	SC	767.54	-
3006388	2020218	SC	160.63	-
3000529	2106068	RS	100.25	447.74
3000586	2002164	RS	257.67	-
3000601	2067288	CM	172.09	-
3000613	2063208	CM	401.61	361.43
3000618	2063208	CM	395.97	335.23
3000619	2063208	CM	63.92	-
3000621	2111978	CM	42.08	122.68
3000622	2111978	CM	25.76	1,251.43
3000627	2111978	CM	65.34	174.75
3000628	2111978	CM	21.88	130.01
3000635	2111978	CM	233.39	363.33
3000638	2067008	CM	604.45	-
3000640	2066768	CM	272.23	-
3000666	2002399	CM	906.38	-
3000668	2117788	CM	42.16	-
3007223	2200030	RS	209.52	155.65
3007360	2015299	RS	153.56	343.87
3007573	2134368	RS	360.16	1,034.15
3007621	2031718	RS	31.87	-
3007663	2008610	RS	286.18	64.07
3007814	2117198	RS	292.39	241.13
3001692	2089328	RS	22.77	-
3001795	2132098	RS	105.87	-
3006485	2020379	CM	36.04	39.14
3006505	2020433	RS	273.79	320.55
3008792	2121088	RS	51.30	218.59
3008793	2110268	RS	34.80	181.45
3008804	2105358	RS	77.56	2.42
3008846	2025446	RS	172.36	338.25
3009321	2113838	RS	172.39	-
3009369	2026665	RS	267.66	83.27
3009435	2135988	RS	0.11	-
3009436	2008564	RS	48.73	16.66

3009448	2128228	RS	105.35	408.10
3009964	2038698	RS	281.29	51.51
3010100	2065098	CM	539.02	-
3010119	2074628	SC	4,511.12	1,943.59
3010128	2114898	RS	13.50	67.26
3006704	2067468	RS	10.90	-
3006803	2094548	RS	306.50	763.94
3006822	2107658	RS	289.48	488.56
3006831	2069208	RS	225.14	101.74
3006935	2134418	RS	0.42	-
3006941	2135958	RS	58.60	121.91
3006946	2079808	RS	32.08	-
3006953	2053328	CM	1,963.13	4,682.31
3006956	2021495	CM	43.94	-
3007012	2029108	CM	137.45	-
3007023	2021641	CM	165.03	185.08
3007047	2021698	CM	206.63	1,224.93
3007049	2021703	CM	187.88	745.74
3001411	2126808	RS	191.63	332.39
3001509	2136448	CM	1,435.86	4,669.89
3001651	2062808	CM	32.91	192.96
3002188	2126368	RS	12.88	-
3002202	2034638	RS	12.88	123.22
3002266	2008175	RS	994.90	-
3002297	2077688	RS	28.33	31.67
3002303	2090608	RS	75.78	-
3002306	2112518	RS	40.45	74.04
3002334	2126448	RS	306.29	1,016.50
3002344	2008640	RS	177.91	207.83
3002347	2008788	RS	181.08	-
3002354	2091608	RS	293.24	123.50
3002362	2008831	RS	130.92	-
3002375	2127058	RS	252.29	383.74
3002412	2003472	RS	176.70	359.21
3002424	2032538	RS	244.97	388.03
3002477	2009142	RS	179.53	505.77
3002482	2068968	RS	235.54	1,425.99
3002756	2135128	RS	138.10	413.49
3002764	2023913	RS	18.33	-
3002769	2009914	RS	149.56	591.92
3002807	2081408	RS	137.59	147.35
3002814	2052048	RS	121.86	85.39
3010235	2119918	CM	4.14	-
3010273	2138308	CM	17.05	-
3007881	2023503	CM	3,406.44	10,846.13
3008923	2094088	RS	176.47	-
3008948	2008575	RS	218.58	423.25
3008959	2127588	RS	218.60	-

3008966	2139448	RS	450.11	-
3009003	2103928	RS	33.23	-
3009005	2039248	RS	254.41	664.87
3009159	2085388	RS	199.18	749.55
3009170	2006040	RS	344.43	-
3003053	2106208	RS	-	385.65
3003382	2011085	RS	-	815.27
3003668	2011579	CM	-	386.23
3003669	2011580	CM	-	23.61
3003672	2011583	CM	-	534.27
3003676	2011587	CM	-	28.37
3004327	2087778	RS	-	301.03
3005988	2019014	SC	-	7,786.95
3005989	2019015	SC	-	893.92
3005998	2019026	SC	-	1,208.71
3006296	2019976	RS	-	935.03
3006304	2019990	SC	-	12,592.99
3007272	2074278	RS	-	943.41
3008736	2024935	RS	-	389.26
3010032	2047968	CM	-	203.05
3010101	2065138	CM	-	539.18
3001539	2005415	CM	-	4,120.14
3002136	2007943	SC	-	8,051.65
3010244	2139748	HY	-	28.34
3008008	2104158	RS	-	31.49
3008040	2023776	RS	-	119.41
3008370	2125228	RS	-	130.50
3008944	2094718	RS	-	358.72
			42,640.90	116,577.52
			Total	159,218.42

Notes:

- 1) Delinquent Account Notice as a door hanger sent on 1/18/19 - 92 Sent
- 2) Billing Staff is calling account with balances over 90 days

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive
February 1, 2019

<i>YEAR</i>	<i>OUTSTANDING 2/1</i>	<i># OF ACCOUNTS</i>	<i>OUTSTANDING</i>	<i># OF ACCOUNTS</i>
FY15	21,443.26	80		
FY16	18,111.27	72		
FY17	26,448.39	68		
FY18	65,845.58	331		
FY19	16,600.86	121		
TOTAL	\$ 148,449.36	672	\$ -	-

STATUS REPORTS

SAFETY

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

JANUARY 2019

(Information provided by the County Risk Department)

TORT CLAIMS

1. GL: Sewer back-up into yard. Clmnt. had backflow preventer; main backed up against preventer, then flowed up clean-out onto yard toward house, into crawlspace. Probable liability. \$5,000 +/-
2. GL: NM DOT alleges electrical damage to appliances in district field trailer, from surge. Doubtful liability

WORKERS COMPENSATION

None

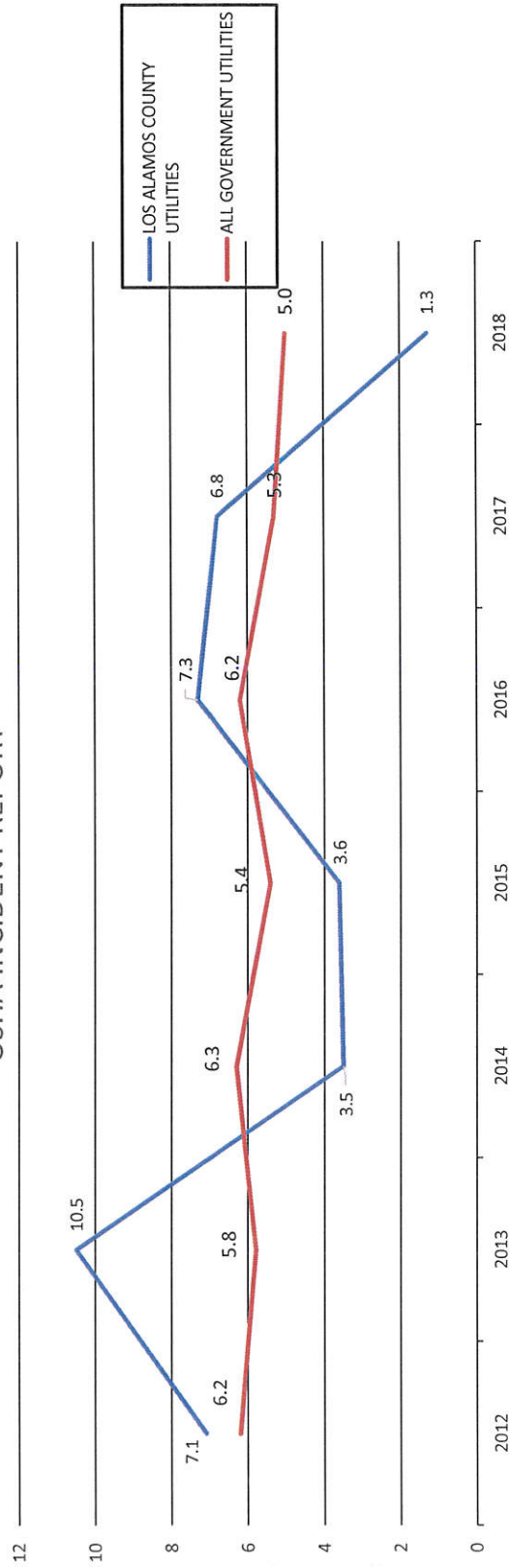
COUNTY PROPERTY DAMAGE

None

	Hours Worked						Hours Worked			
	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP				
MONTH										
Jan - 2019	3589.0	1793.0	2317.0	4119.0	1678.0	1139.0				
Feb - 2018	3339.0	1437.0	3114.0	3482.0	1235.0	1239.0				
Mar - 2018	4766.0	1531.0	2612.0	4201.0	1687.0	1788.0				
Apr - 2018	3229.0	1323.0	1682.0	3225.0	1165.0	1344.0				
May - 2018	3980.0	1279.0	1814.0	3331.0	1284.0	1093.0				
June - 2018	3523.0	1292.0	1586.0	3754.0	1155.0	1168.0				
July - 2018	3825.0	1292.0	1641.0	3553.0	1286.0	1420.0				
Aug - 2018	4982.0	1471.0	2240.0	3947.0	2456.0	2771.0				
Sept - 2018	3150.0	1168.0	1421.0	3242.0	1198.0	1059.0				
Oct - 2018	2499.0	1194.0	1270.0	3847.0	1181.0	1009.0				
Nov - 2018	3476.0	1416.0	1506.0	3398.0	1182.0	1201.0				
Dec - 2018	3204.0	1251.0	1372.0	3047.0	2427.0	946.0				
Total Hrs Worked ->	43562.0	16447.0	22575.0	43146.0	17934.0	16177.0				
Number of Recordable Injury and Illness Cases	0	0	0	1	0	0				
OSHA Recordable Injury & Illness Incidence Rate	0.00	0.00	0.00	4.64	0.00	0.00				
Number of OSHA Days Away Days Restricted (DART) cases	0	0	0	3	0	0				
OSHA Days Away Days Restricted (DART) Rate	0.00	0.00	0.00	7.00	0.00	0.00				

OSHA INCIDENT 2018 YEAR-END REPORT						
MONTH	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
Jan - 2018	2773.0	1161.0	1572.0	2972.0	1014.0	976.0
Feb - 2018	3339.0	1437.0	3114.0	3482.0	1235.0	1239.0
Mar - 2018	4766.0	1531.0	2612.0	4201.0	1687.0	1788.0
Apr - 2018	3229.0	1323.0	1682.0	3225.0	1165.0	1344.0
May - 2018	3980.0	1279.0	1814.0	3331.0	1284.0	1093.0
June - 2018	3523.0	1292.0	1586.0	3754.0	1155.0	1168.0
July - 2018	3825.0	1292.0	1641.0	3553.0	1286.0	1420.0
Aug - 2018	4982.0	1471.0	2240.0	3947.0	2456.0	2771.0
Sept - 2018	3150.0	1168.0	1421.0	3242.0	1198.0	1059.0
Oct - 2018	2499.0	1194.0	1270.0	3847.0	1181.0	1009.0
Nov - 2018	3476.0	1416.0	1506.0	3398.0	1182.0	1201.0
Dec - 2018	3204.0	1251.0	1372.0	3047.0	2427.0	946.0
	42746.0	15815.0	21830.0	41999.0	17270.0	16014.0
INJURIES	0	0	0	1	0	0
INC RATE	0.0	0.0	0.0	4.8	0.0	0.0
LOST/RSTR CASES	0	0	0	3	0	0
LOST/RSTR RATE	0.0	0.0	0.0	14.3	0.0	0.0
2018 UTILITIES WIDE FOR ALL DEPARTMENTS					1.3	
BUREAU OF LABOR STATISTICS 2017 AVG FOR ALL UTILITIES					2.0	
BUREAU OF LABOR STATISTICS 2017 AVG FOR GOV UTILITIES					5.0	
2017 UTILITIES WIDE FOR ALL DEPARTMENTS					6.8	
BUREAU OF LABOR STATISTICS 2016 AVG FOR ALL UTILITIES					2.1	
BUREAU OF LABOR STATISTICS 2016 AVG FOR GOV UTILITIES					5.3	
INJURIES	0	1	0	4	0	1
INC RATE	0.0	10.6	0.0	17.5	0.0	11.0
LOST/RSTR CASES	0	0	0	2	0	0
LOST/RSTR RATE	0.0	0.0	0.0	8.8	0.0	0.0
2016 UTILITIES WIDE FOR ALL DEPARTMENTS					7.3	
BUREAU OF LABOR STATISTICS 2015 AVG FOR ALL UTILITIES					2.2	
BUREAU OF LABOR STATISTICS 2015 AVG FOR GOV UTILITIES					6.2	
INJURIES	0	0	0	6	0	0
INC RATE	0.0	0.0	0	25.6	0.0	0.0
LOST/RSTR CASES	0	0	0	2	0	0
LOST/RSTR RATE	0.0	0.0	0.0	8.5	0.0	0.0

OSHA INCIDENT REPORT



$$\text{RATE} = \frac{\# \text{ INJURIES} \times 200,000}{\text{HOURS WORKED}}$$

YEAR	2012	2013	2014	2015	2016	2017	2018	7 YEAR AVG
LAC UTILITIES	7.1	10.5	3.5	3.6	7.3	6.8	1.3	5.73
GOV UTILITIES ONLY*	6.2	5.8	6.3	5.4	6.2	5.3	5.0	5.74
ALL UTILITIES*	3.5	2.8	2.1	2.4	2.2	2.1	2.0	2.44

* Comparative Data From Bureau of Labor Statistics

<https://www.bls.gov/iif/>